

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Saudi Arabia budgets  
for an oil price  
recovery, Page 4

## NEWS SUMMARY

### GENERAL

#### We keep Golan, insists Begin

Premier Menachem Begin insists that Israel will never give up the Golan Heights, captured from Syria in 1967.

Begin's statement, made in Tel Aviv, goes against hopes expressed by President Reagan last week that the US peace initiative could be expanded if territory occupied by Israel would be given up.

In Israel yesterday there were calls to withdraw from Lebanon to the Awaril River, following the death of two officers in clashes with Palestinian guerrillas.

Another Israeli soldier and four guerrillas were also killed.

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### Harder Soviet line

Soviet military commentator said France's decision to modernise its armed forces would hasten Moscow's attitude to arms limitation talks with the U.S. and would be an escalation of the arms race.

### Iranian casualties

Iran said 15 civilians had been killed and more than 100 injured by Israeli shelling of the town of Dehdez.

Iran said pro-iranian saboteurs planted two car bombs in Baghdad which killed and injured several people.

### Neutral inquiry call

West German opposition Social Democrat MP Hans-Joachim Lauth called on Helmut Kohl to ask a neutral inquiry to investigate the Berlin death of a West German under investigation by East German border police.

### Warning by Soares

Campaigning for Portugal's general election on Monday, Socialist leader Mario Soares warned that the country's living standards would have to fall for two or three years if external payments problems were to be corrected.

### Suicide claim

El Salvador Left-wing guerrilla leader Salvador Cayetano Carpio committed suicide on hearing of the killing of his deputy, said the Interior Ministry.

### S. African shooting

South African police said that a Portuguese, Orlando Cristina, who is believed to have been one of the leaders of the Right-wing guerrilla movement in Mozambique, had been shot dead in Pretoria.

### Dissident held

Former Soviet human rights activist Naum Meiman, 72, was held by KGB security men and detained for questioning at the Moscow prosecutor's office, said his wife.

### Bare-cheek protest

Maori Te Rangi Mangu Mihaka, who described himself as a political agitator, has admitted lifting his grass skirt and baring his bottom at Prince Charles and Princess Diana in Wellington, New Zealand, but pleads not guilty to offensive behaviour.

### Falklands ban

UK Ministry of Defence said the navy would turn back any ship carrying relatives of Argentine war dead if it tried to enter the Falklands 150-mile zone without permission. Negotiations on a visit are going on through the Foreign Office.

### Briefly...

Telemeo Barba, Brazil: Fire in the Klabin paper mill killed five.

Manila: Bus-trolley collision killed 15.

### BUSINESS

#### British public debt over target

UK GOVERNMENT has been embarrassed to find that public-sector borrowing in the financial year just ended was £9.2bn (£14.2bn) - £1.7bn more than estimated by the Treasury when the Budget was presented on March 15.

Many analysts believe that 1983-84 borrowing targets are already too tight. Page 20

### DOLLAR fell to DM 2.455

(DM 2.455, FF 7.3625 (FF 7.3725), SwFr 2.065 (SwFr 2.067) an Y286.4 (Y221.25). Its trade-weighted index fell from 122.9 to 122.6, in New York, the dollar closed at DM 2.455; FF 7.3575; SwFr 2.0645; and Y286.45. Page 44

### STERLING dropped 85 points

to £1.535, and to DM 3.7825 (DM 3.8125), FF 11.30 (FF 11.4225), SwFr 3.1875 (SwFr 3.205), and Y306 (Y308). Its trade-weighted index fell from 83.6 to 83.1. In New York, sterling closed at £1.545. Page 44

### GOLD rose \$3 in London

to \$477.5, by \$2.25 in Frankfurt to \$480.5, and by \$5.75 in Zurich to \$486.5. In New York, the Comex April settlement was \$485.5 (\$488.5). Page 41

### Copper

Cash high grade

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## BIS chief in warning on interbank lines

BY ALAN FRIEDMAN IN LONDON

DR Fritz Leutwiler, president of the Bank for International Settlements (BIS) and the Swiss National Bank, has told bankers that he is concerned about the way in which central banks have been pressing commercial banks to restore sensitive interbank credits to major debtor countries such as Brazil.

Dr Leutwiler, who has been one of the key participants in all the major country debt rescue packages, met British bankers in London last week and made his point during a private meeting attended by officials of the Bank of England.

He is understood to be worried about the role of central banks in trying to persuade commercial banks to provide the bank-to-bank deposits to debtor countries because of his belief that this is an inappropriate role for the central bank authorities to play.

Interbank credits are short-term bank-to-bank deposits that are crucial to the smooth functioning of the world banking system. They can be as short-term as overnight, and can range in maturity up to one year. The interbank system enables banks to dispose temporarily of excess liquidity by placing it on deposit with other banks.

A number of bankers have argued privately that to force the supply of interbank credits to debtor-country banks amounts to a subver-

sion of the global \$1,000bn interbank system, which is predicated on flexibility and very short-term deposits.

The BIS itself this week released 1982 statistics which showed a slowdown in growth in interbank lending during the fourth quarter of last year. Interbank business in that quarter grew by \$20bn, much lower than the \$40bn recorded for the third quarter and less than a third of the \$63.5bn interbank lending growth during the fourth quarter of 1981.

According to London-based bankers, Dr Leutwiler said he felt central banks were going too far in becoming involved in the delicate area of interbank line restoration. The BIS president's remarks are surprising because it has been accepted by many in the banking community that restoring interbank credits to hard-pressed sovereign borrowers is a vital part of solving international debt problems.

Earlier this week, a London meeting of key bank creditors and Brazilian central-bank officials launched a worldwide campaign to restore \$1.5bn of interbank lines to Brazil as part of the rescue for the country. The Brazilian meeting was attended by both Bank of England and Federal Reserve Board of New York observers.

Continued on Page 20

## Nigeria and IMF in preliminary talks

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

NIGERIA has expressed interest in reaching agreement on an economic recovery programme backed by the International Monetary Fund (IMF), following initial discussions in Lagos on economic policies to tackle its current foreign exchange crisis, according to high-level banking officials.

However, no specific policies have yet been spelled out, and the Nigerian Government is understood to be adamant that devaluation of the naira would be totally unacceptable in any policy package.

The decision to invite the IMF for discussions, the first round of which took place in Lagos last week, represents a reversal of previous Nigerian Government hostility to any arrangement.

Bankers in London and Lagos believe it was reached because of the refusal of many international banks - especially those from the U.S. - to agree to any commercial loans without an initial approach to the Fund.

President Shagari announced on Tuesday that Nigeria was seeking up to \$2bn in foreign loans to help reduce its huge backlog of short-term trade debts - unofficially estimated at \$5bn or more - and persuade banks to resume opening letters of credit to cover imports.

The Nigerian balance of payments has been heavily in deficit for the past two years because of the decline in its oil production as a

Continued on Page 20

## British exporters collect nearly £600m in bad debt insurance

BY CHRISTIAN TYLER, WORLD TRADE EDITOR, IN LONDON

FINANCIAL crises and bankruptcies in Britain's export markets have led to a record payment of nearly £600m (£620m) in insurance claims by the Export Credits Guarantee Department.

The claims total, a provisional estimate for the year to March 31, published yesterday, is nearly double last year's and has stripped the department's cash reserves of nearly £500m, to stand at only £284m.

The department is likely to run into deficit on its commercial account in the current year and, with the prospect of serious problems in Latin American markets to come, could eventually go entirely into the red for the first time in 30 years.

Insurance premiums on short-term cover, where the bulk of the department's business is done, are to be raised by 5 per cent across the board from July 1. Exporters with the worst claims records will pay a further 10 per cent increase and their cover against buyers' bankruptcy or default will be reduced from 90 per cent to 75 per cent.

A temporary premium surcharge of up to 50 per cent may be levied for markets where there are "exceptionally high" political risks.

The ECGD runs two accounts, the commercial and "national interest" account. Ironically, the latter, designed to cover risks not considered commercially worth accepting, has performed better and has cash reserves of £180m.

It has already been used recently to tide the commercial account over, and will be drawn on again. If the reserves run out altogether, the ECGD will borrow on its account at the Bank of England, and is confident that it could service the loan as repayments flow in. An official stressed yesterday that the department would not become a charge on taxpayers.

Last year's record claims are due to bad debts in Poland, where the ECGD is exposed to £1bn, in Argentina, Romania and African markets such as Nigeria, the Sudan and Zambia. Some claims are still being paid on Turkey and Iran.

The amount of money at risk

## BP plan to order oil-drilling tankers

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

BRITISH PETROLEUM is on the verge of ordering a unique oil-producing tanker capable of exploiting small North Sea oil fields.

It is expected that the company will seek worldwide tenders from shipyards capable of building the vessel. Costing between £50m and £100m (£155m), the tanker will be used to produce oil through a single well in much the same way as an offshore production platform.

The recovered oil will be stored in the ship's tanks. When full, the tanker will raise its production pipe

and sail to a nearby oil terminal for unloading.

Although BP will not comment on its plan, it is known that the company has been discussing proposals with the Energy Department.

British Government officials expect the tanker - dubbed Single Well Oil Production System (Swops) - to be used in producing oil from as yet unnamed BP oil discoveries in the North Sea. These fields are probably too small to be exploited commercially by more

conventional platforms or floating systems.

BP has been developing its Swops concept since early 1980. Detailed design work has been undertaken by V O Offshore, a design subsidiary of British Shipbuilders. V O Offshore has concentrated on new production systems and underwater technology.

It is expected that Swops will be able to produce up to 15,000 barrels a day, that contrasts with the \$2,000 bpd peak rate of production in BP's big Forties Fields.

The Swops vessel will probably be able to store at least 50,000 tonnes (368,500 barrels). That means that BP will be able to maintain production for about three to four weeks before it needs to discharge its crude. It is possible that BP may opt to unload its produced oil into another tanker so that its Swops unit can remain above the oilfield for longer periods.

BP had originally considered converting a conventional oil tanker at a cost of between £25m and £30m. Shell de-stocking, Page 16

## Chrysler reports record earnings

By Richard Lambert in New York

CHRYSLER Corporation, the third largest U.S. motor manufacturer, which has struggled back from the brink of bankruptcy in the last two years, made the highest after-tax profit of any quarterly period in its history during the first three months of 1983. Its net income totalled \$172.1m, or \$1.97 a share, which was higher than Wall Street had been expecting.

In the corresponding period of 1982, Chrysler reported an operating loss of \$97.5m. However, a profit on the sale of its defence division left it with net income of \$14.8m.

As with General Motors, which on Wednesday reported a big quarterly profit gain, Chrysler's strong performance in the period was based on a sharp rise in factory sales of its cars to dealers. Worldwide factory sales of Chrysler vehicles in the three months rose by nearly a fifth, to \$4,236m, and factory sales of cars in the U.S. jumped by a third to \$2,842.1 units.

However, this increase has not yet been matched by an upturn in demand from the public. Chrysler's retail car sales in the U.S. during the three months were up by less than 4 per cent to 288,280.

Mr Lee Iacocca, the group's chairman, said: "Chrysler has cut costs, become more efficient and managed a solid operating profit, even in this weak market. The annual rate of car sales in the U.S. in the first quarter was only 3.3m units. This does not signal a strong recovery."

Net sales in the quarter rose from \$2.5bn to \$3.1bn. Because of the slight increase in retail sales, dealers had 32 days' supply of cars on hand at the end of March.

## Lloyd's may ban Minet if U.S. group lifts stake

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

MINET HOLDINGS, a large British insurance broker, may not be allowed to place business in the Lloyd's insurance market if an American insurance company with a 25 per cent holding decides to increase its stake.

The warning has been given by Lloyd's chairman, Sir Peter Green, and is likely to spark off a major row within the transatlantic insurance community.

Sir Peter yesterday wrote to Minet's chairman, Mr Raymond Pettit, after Minet had asked about the current attitude of Lloyd's to the ownership of Lloyd's brokers by insurance companies.

Minet sought its clarification after The St Paul Companies, a major U.S. insurance group, purchased a further 5 per cent block of shares, building up its stake in the British broker to 24.98 per cent.

Mr Simon Arnold, Minet's deputy chairman and managing director, said: "We are not surprised by Lloyd's reaction. We have merely transmitted contents to St Paul."

In Minnesota, headquarters of The St Paul group, executive vice-president Mr Douglas Leathbridge said yesterday: "We have no comment to make at this stage. I have only just heard about the letter and I will be studying it."

In London yesterday stockbrokers which had purchased the shares for The St Paul were furious with the Lloyd's move. In his letter Sir Peter Green tells Mr Pettit, who is opposed to any takeover, that the question of insurance companies owning brokers had been discussed some years ago.

"So far as I know," says Sir Peter, "this matter was first considered when Sir Henry Mance was chairman (of Lloyd's) and the Excess In-

urance Company was considering buying C.E. Heath."

That deal was contemplated in 1968 with Excess attempting to take over Heath, another major Lloyd's broker.

At the time the Lloyd's committee, it is understood, felt there was a danger of the parent insurance company receiving preferential treatment from its broking company in the placing of business.

Sir Peter says: "The committee's view at that time was that they did not wish Lloyd's brokers to be owned or controlled by insurance companies. At the time it was decided that any shareholding, in excess of 20 per cent was unacceptable."

The matter has been reviewed on several occasions by the committee of Lloyd's but no changes have been recommended.

Sir Peter continues: "There are... a number of Lloyd's brokers or groups which own Lloyd's brokers, where insurance companies have substantial shareholdings, but other than in one or two instances they do not exceed 20 per cent."

"Several of these insurance companies are American-domiciled but there are others in other parts of the world."

He says the position has not changed since he was asked by Minet to provide earlier advice on the purchase of shares by The St Paul, "namely that if St Paul purchased the whole or more than 25 per cent of Minet Holdings they might very well find that whilst they had purchased an insurance broker, it would be a broker who was not authorised to place business at Lloyd's."

The matter will be considered by a full meeting of the Lloyd's council on May 18.

## Brussels in early call for more cash

By John Wyles in Luxembourg

THE European Commission plans to dramatise the EEC's growing financial crisis by making an unexpectedly early request next month for member governments to pump up to \$1.86bn more into the community's 1983 budget.

This would be the first time since 1977 that major overspending in agriculture has prompted preparation of a supplementary budget so early in the year. But there is also a strong tactical aspect to the choice of timing.

The request for a big cash injection to Brussels will complete a trio of Commission proposals in May, focusing government and public attention on deepening financial problems. These will be:

● Presentation of the draft 1984 budget in which the Commission will outline how it wants to spend virtually all of the revenues available to the Community next year - about \$25.7bn. Farm spending alone will see an extravagant increase from 1983 levels of about \$14.7bn.

Accordingly the Commission will argue for the urgent adoption of it:

● Proposals for adding to EEC budget income principally by raising the 1 per cent ceiling on member states' value added tax payments to Brussels and by a tax on agricultural output, which will make those countries benefiting most from Common Agricultural Policy spending pay more towards its costs.

The case for an agricultural tax will be strengthened by:

● The supplementary 1983 budget which is vitally needed to meet a runaway 35 per cent rise in farm spending in the first four months of the year, compared to 1982. The budget will also seek to cover the £210m additional cost of the farm price package which the agricultural ministers are expected to adopt next Wednesday.

## ARTHUR BELL & SONS plc SCOTCH WHISKY DISTILLERS

This independent Company did not become a public Company until late 1971. Since that time its main product, BELL'S SCOTCH WHISKY, has grown to become one of the largest selling brands in the Scotch Whisky Industry. It is the market leader in the United Kingdom with twenty-two per cent share of the market and in the last twelve years there has been a dramatic increase in overseas sales. It is now exported to over one hundred countries and wherever possible it is shipped as cased whisky bottled in Scotland to ensure the high quality of its product. A highly trained team of Executives continuously travels throughout the world promoting the sales of BELL'S SCOTCH WHISKY and the Company's other products through the appointed agents in each market. At its Perth Headquarters an efficient administrative unit ensures that the sales team and the network of agents receive the quality of service in keeping with the quality of its products.



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## EUROPEAN NEWS

## Scant progress made on EEC coal strategy

BY JOHN WYLES IN LUXEMBOURG

THE BRITISH Government's doubts about whether its EEC partners are genuinely interested in boosting Community spending in the UK remained strong, after energy ministers made little progress here yesterday towards a strategy for the coal industry.

As the largest Community coal-producer, Britain has been pressing recently for spending to benefit EEC production. It is looking for investment help for quick development, generous grants for redundancies

and retraining payments, and subsidies towards the costs of maintaining pithead stocks.

Moves along these lines could help in a small way to reduce the huge imbalance between Britain's payments to and receipts from the Brussels budget. On the most optimistic assessment, the UK might benefit to the tune of Ecu 90m (254m) against a total net payment to the EEC this year of Ecu 2bn.

Mr John Moore, Under-secretary at Britain's Department of

Energy, claimed last night that some progress had been made in the sense that other member states had not objected to a request for European Commission proposals on the three areas of interest to the UK, plus an additional one designed to encourage coal consumption.

However, senior Commission officials thought the outlook was rather less constructive. They claimed that key proposals of direct benefit to the British already on the table were not making progress. But the Com-

mission might try to produce suggestions next month on aid for coal stocks, for research and development into coal-use and aid to foster intra-Community trade in steam coal.

Yesterday's discussion confirmed that the main coal-consuming member states, led by France, were reluctant to spend money on Community production when imported coal from diverse sources was cheaply available.

They stressed instead the need for moves to boost con-

## W. German reactor programme relieved

By Jonathan Carr in Bonn

WEST GERMANY'S advanced nuclear reactor development programme seems to have been saved at the last moment with a new accord on funding.

Broad agreement appears to have been reached after tough negotiations between the Government and the electricity industry covering an extra DM 2.5bn (\$685m) in costs. Without the agreement, finance would have been exhausted next month for both key projects—the fast breeder reactor at Kalkar and the high temperature reactor at Schmehausen.

No details have so far been announced on how the extra cost is being shared between Government and companies. But it is now expected that Herr Helmut Rosenhauer, the Technology Minister, will be able to recommend continuation of the full reactor programme to the cabinet within the next few weeks.

The cost of the two projects has constantly overrun estimates, and there has long been a tug of war between Bonn and private industry over who should pay what.

The fast breeder was originally estimated to cost DM 1.7bn when construction began in 1974, with a commissioning date in the early 1980s. Now the cost is expected to be more than DM 2.5bn with commissioning in 1987.

Construction of the 300 MW high temperature reactor began in 1972 and was expected to be completed in 1979 at a cost of DM 1bn. Now the cost is likely to be more than four times higher, with completion possible next year.

The previous centre-left Government argued that the reactor programme was eating up too great a share of the research budget, and that the private sector should boost its contributions.

Industry felt hesitant, not least because it noted strong opposition to the development of nuclear power within both the Government parties. This attitude has changed with the coming to office of Chancellor Helmut Kohl's centre-right alliance.

## Coalition sets budget deadline

By Our Bonn Correspondent

THE West German Government has set itself an early deadline for action both on big savings in the 1984 budget and on tax benefits for industry.

A government spokesman said it was planned to reach agreement during a meeting on May 18 and 19, so that the budget draft could be formally approved by the Cabinet by the end of June.

The object is to see that business confidence, which rose with the victory of the centre-right alliance in the March 6 election, is underpinned by quick policy action in Bonn.

However, Dr Gerhard Stoltenberg, the Finance Minister, faces a major challenge as he seeks to pin down in less than four weeks just where the budgetary axe should fall.

Following the general election, the coalition parties quickly agreed that there should be no tax increases in 1984, and that net government borrowing should be held below DM 40bn (£10.5bn) (less than 3 per cent of GNP).

This implied that there would have to be budget savings in 1984 of around DM 6.5bn, at least partly through cuts in social benefits. Simultaneously, the Government has to make good its pledge to cut the tax burden on companies, thus helping encourage investment and create jobs.

Dr Stoltenberg's problems have been underlined by official estimates this week showing that tax revenue in the medium-term (to 1987) is likely to be far less than expected even a year ago.

The main reason is that economic growth prospects, and hence the probable tax intake, have been revised downwards in the meantime.

However, even the new estimates are based on an average annual rate of economic growth (in annual terms) of close to 7 per cent from 1985-87—roughly double the rate expected for this year.

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## French 5-year plan puts emphasis on updating industry

BY PAUL BETTS IN PARIS

THE MODERNISATION of France's industrial apparatus and the highest possible rate of domestic growth, compatible with a balanced external position, are among the main goals of the new five-year plan—the so-called "Ninth Plan"—unveiled yesterday by the Left-wing coalition Government of M. Pierre Mauroy.

The guidelines will now become one of the central issues to be debated in the French parliament in coming weeks. After they have been approved, the National Assembly will consider during the autumn session some of the specific measures in the plan.

Although the Ninth Plan forms part of a long tradition of French long-term centralised economic and social planning, it also reads like a manifesto of socialist policies and ideals. And M. Jean Le Garrec, the new Secretary of State for the plan, presenting the 1984-88 guidelines. His opening words were: "One world dies, another is born."

The plan endorses the Government's economic strategy both for the long and the short term. For the short term, M. Le Garrec said, "economic rigour" was a necessity.

But he quickly added that rigour—the official word the French Government likes to use to refer to a programme of

economic austerity—was not an end in itself.

In many respects, the new plan is a political document designed to re-affirm the loftier aims of socialist economic policies at a time when the Government is involved in an unpopular exercise of economic belt-tightening.

But for all this rhetoric, the plan itself is by past standards relatively modest and vague in its objectives. Indeed, Government planners appear to have adopted a cautious approach, steering clear of committing themselves to specific targets except to reiterate the economic aims of 5 per cent inflation next year and balancing the trade deficit over the next two years. M. Le Garrec also declined to say what were the broad parameters for economic growth anticipated by the plan over its five-year term.

Included in the plan are 12 priority programmes ranging from the modernisation of French industry and the development of new technologies to more efficient use of energy. Among the key areas of emphasis are: enhancing employment; developing culture, education, responding to the needs of decentralisation; modernising the French health system; improving the quality of urban life; justice; and security.

## Legislative guarantees to underpin defence spending

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government is to provide legislative guarantees that its ambitious five-year programme to modernise the armed forces will not suffer from a shortage of funds.

This unusual step was announced by M. Charles Hernu, the Minister of Defence, yesterday in a bid to quell doubts about the financing of the programme at a time of continuing economic difficulties.

M. Hernu said the Government had agreed that "sacred" laws would be passed to provide for defence spending, and that commitments to introduce new equipment would be maintained.

The legislative guarantees are being provided in two ways. For the first time the law incorporating the five-year programme sets out the amount—FFR 530bn (£72.2bn) in current money—to be spent on defence in the 1984-88 period. No other government department is being treated in this way.

At the same time the law will contain a detailed timetable setting out dates for the delivery of major purchases of the nuclear and conventional forces.

The Government had agreed, M. Hernu said, that these physical targets would be maintained at all costs. To this end, the National Assembly would assess at the end of 1985 where the programme stood before making further allocations.

The five-year plan provides for defence spending to rise by an annual average of 2 per cent in real terms. But it makes the optimistic assumption that inflation will be brought down from its current 9 per cent to 5.5 per cent throughout the period.

Thus, on the basis of France's present inflation rate, defence spending would decline in real terms instead of rising as the Government foresees.

M. Hernu for the first time spelled out the circumstances in which France would use the Hades, the tactical nuclear missile which is due to come into service in 1982. He said it would be used to provide an "ultimate" warning to the Soviet Union before France made use of its strategic nuclear force. The Hades has a range of 350 km and thus can reach Warsaw Pact countries.

The minister revealed also that, over the period, France could cut its forces in West Germany by 15,000. But he placed great emphasis on the additional mobility and firepower that will be provided for the First Army stationed in West Germany and for the new 50,000-strong mobile force.

M. Hernu added that some 30 per cent of defence spending will go to the nuclear force.

## Ministers look to Brussels for farm solution

BY LARRY KLINGER IN LUXEMBOURG

MARATHON TALKS to set new guaranteed prices this year for the EEC's 6m farmers broke off in deadlock in the early hours yesterday despite an emerging majority among the ten member-states in favour of the European Commission's proposal for an average 4.2 per cent price rise. This would be one of the lowest in the past ten years.

The Council of Agriculture Ministers will now resume negotiations in Luxembourg next Wednesday in the hope that the Commission will have found a way to end the impasse between West Germany and France.

At immediate issue are French demands, strongly supported by Italy and in varying degrees by several others, for a substantial revaluation of West Germany's agricultural trading currency—the "green mark". At present this favours West German exports and places a levy on imports from the rest of the Community.

There is a real danger, how-

ever, that, without a quick agreement between West Germany and France, the growing consensus in favour of the Commission's overall price package could disintegrate.

Several countries have strong reservations about accepting the package. Italy and Ireland are still seeking a higher award, while Belgium is maintaining its insistence on a better deal for milk-producers.

If the Commission, which is strongly supported by Britain, can obtain a quick agreement, it will have scored an important victory.

Unprecedentedly, it has refused to increase its price proposals for any of the main commodities in structural surplus. It has also successfully defended its policy to impose lower increases for surplus commodities, such as milk and cereals.

There is, of course, an exceptional convergence of strong reasons for the ministers to

resist adding their traditional 1-1.5 percentage points to the Commission's proposals. The growing strain on the EEC budget of subsidising exports of expanding surplus production on static world markets is threatening to leave little or no extra money for other EEC programmes.

Furthermore, EEC farmers have seen an average 9 per cent increase in their real incomes over the past year at a time of economic recession when many other sectors are experiencing a decline.

In any case, when the Commission's proposals, which are in European currency units, are translated into national currencies and take account of recent agri-monetary adjustments, the rises for several countries are considerably higher.

Britain, on the basis of the current proposals, would receive about 2.5 per cent on average. This would sit nicely with its desire to give farmers



Herr Kiechle... in an acute dilemma

more than a token rise but at the same time to curb inflation. Food prices are estimated to increase by only 0.5 per cent and the cost-of-living index by one-tenth of 1 per cent.

## Polish warning on bureaucrats' fight back

BY CHRISTOPHER BOBINSKI IN WARSAW

A POLISH GOVERNMENT report has called for firm policies to prevent the central bureaucracy from rebuilding its former dominant position which was undermined by economic decentralisation measures. The report has been prepared by the Government Reform Office, headed by Mr Wladyslaw Baka who holds ministerial rank, and it sums up the first year of the reform which started on January 1 1982.

It appears against the background of a running debate inside the Government on how

far Poland's parious economic situation permits decentralisation of decision-making and a freer play of market mechanisms.

Mr Janusz Obodowski, who heads the Planning Commission as Deputy Premier in charge of the economy has tended to opt for tighter central control at the expense of mechanisms laid down by the reforms. In recent weeks, the debate has spilled over into Parliament, as deputies have discussed economic plans up to 1985 prepared by Mr Obodowski's commission.

The report says that central ministries are having difficulty in distinguishing between reform mechanisms and "the temporary solutions imposed by the crisis" and are also complaining they are no longer able to steer the economy.

It also says that central government still has not dropped the habit of "issuing individual, as well as general, legally-binding decisions without actually having such powers delegated by Act of Parliament."

"As a result, decisions are being taken which are out of

tune with the legal system introduced by the reform."

Work must be stepped up on reforming central government, says the report, and the functioning of offices such as the Planning Commission must be adapted to the new mechanism.

Employment in the central administration last year dropped by 35 per cent, the report notes, but "demands by central ministries for a growth in the number of their employees are becoming more insistent."

## Carrington urges more active role for Europe

By Bridget Bloom, Defence Correspondent

A PLEA for European nations to take a more active role in the political and military leadership of the Western alliance was made in London yesterday by Lord Carrington, the former British Foreign Secretary who resigned a year ago at the onset of the Falklands conflict.

Delivering the Alastair Buchanan memorial lecture for the International Institute of Strategic Studies, Lord Carrington declared that the West now needed a new approach to East-West relations. Politically, the alliance was much healthier than its critics alleged. But it did lack a positive strategy for dealing with the Soviet Union, Lord Carrington said.

"The notion that we should face the Russians down in a silent war of nerves, broken only by bursts of weapons diplomacy, is based on a misconception of our own values, of Soviet behaviour and of the anxious aspirations of our own peoples," Lord Carrington said. In one of several implied criticisms of the current U.S. leadership.

In another, Lord Carrington said that the West should not rejoice "too much or too soon" at the "manifest failure of the Communist model." The Soviet empire might be a decaying system, but it was still a formidable force, and it would be a mistake to dramatise the pace or extent of this process, or of its political repercussions in the short term.

He called for Europe to build "cautiously but purposefully" a European security consciousness, not as an alternative to the Atlantic partnership but as a complement to it. Lord Carrington also said Europe could do more at minimal cost to improve alliance military strength by standardising equipment, rationalising arms production and specialising in military roles, such as Britain fulfilling a primarily naval role.

Britain also had an important role in developing a more secure East-West relationship, the former foreign secretary said. Under its present leadership, Lord Carrington said in a rare tribute to Mrs Margaret Thatcher, Britain had the prestige and respect to make sure its voice was heard in the interests of "firmness and flexibility."

## Dow plans \$5.6m plant in Spain

By Carla Rapoport

DOW CHEMICAL, the U.S. chemical group which has been cutting back on overseas projects, plans to build a chemical plant in Bilbao, Spain.

It is understood to be worth more than \$5.6m and will manufacture styrofoam and extruded polystyrene foam insulation, products used principally by the construction industry.

Dow is the world's leading manufacturer of extruded polystyrene. The company says the plant's output will be used mainly by Spanish companies, although plans are being made to export some polystyrene. The plant is expected to be in production by the end of 1984.

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# Unions may provoke foreign bank exodus from Greece

BY VICTOR WALKER IN ATHENS

FOREIGN BANKS in Greece, facing a confrontation with the trade unions, are quietly preparing contingency plans for a possible shut-down of their operations.

They fear that the Greek Federation of Bank Employee Unions (Otee) plans first to unionise all foreign banks and then to establish a closed shop, depriving the management of the right to hire and fire.

The dispute has been building steadily since a six-week national bank strike staged last year by Otee, the coordinating body of the unions formed in all Greek banks and in 12 of the 22 foreign banks with full branches.

One of the clauses of the settlement agreed by Greek banks at the end of the strike related to a uniform salary scale, based on seniority. Most of the smaller and more aggressive private Greek banks and the foreign banks use a system based on merit.

The agreement also required any bank without a union to set one up at once. Foreign banks did not sign the settlement, but the 12 banks already with unions were named in it. When these banks refused to be bound by an agreement they had not signed the Government-passed legislation enforcing the unionisation proposal.

The legislation, which will affect all banks, not just the 12 named ones may be challenged in court on constitutional grounds.

**Pension funds**

The foreign banks are also angry about government proposals about pension funds. Early this year the Socialist Government, in a move to improve the national health system, formed a new auxiliary pension fund and made it compulsory for all employees in Greece covered only by the national insurance fund to join. Foreign bank management duly placed their employees into the new state scheme.

Greek bank staff, however, have their own main and auxiliary funds, outside the national system. One of the latter is a scheme run by the Union of the Ionian and Popular Bank, Greece's third largest state-controlled commercial bank. The I and P auxiliary fund permits membership by staff of other banks, provided they belong to a union.

The foreign bank staff decided they wanted to be in the I and P fund, which offers benefits considerably superior to those available under the state scheme. Their management, seeing this as the indirect establishment of the closed shop through the union membership requirement, refused on principle to enter into a long-term, open-ended commitment where financial control was in the hands of a third party, other than the state.

With one exception they started to deduct the required contributions for the state fund from the staffs' salaries, although those belonging to unions had been accepted by the I and P fund.

Otee has now served notice on these banks that as their members have legally joined the I and P fund, the contributions to the state scheme are being withheld illegally. Under legislation dating from 1945, an employer who illegally deducts wages may be detained by police during investigation, leading a number of foreign banks officers to keep an overnight bag packed, just in case.

When Otee threatened to strike over the funds dispute, the Government refrained to arbitrate. A decision in favour of Otee by the lower arbitration court is now being appealed against. Otee says that if it wins the appeal it will demand immediate implementation, regardless of any eventual appeal by the banks to the Council of State.

The foreign banks have found themselves embroiled in dispute only recently. The 22 with full branches and another 10 with

representative offices are mainly British, American, Canadian, German, French, Dutch and Arab. They came to Greece in two waves, the first during the seven-year dictatorship and the second when it became clear that Greece would join the EEC. The second wave of banks are on the whole not yet unionised. They employ about 3,000 Greek staff, out of a total banking workforce put by Otee at close on 40,000.

**Review board call**

"The red flags went up at my headquarters," one foreign banker said, when Otee recently published a manifesto calling for changes in corporate structure amounting to a "Hellenisation" of all foreign banks in Greece. This would include total unionisation of foreign banks and the introduction of the seniority system. It calls for union agreements on all issues relating to automation and technological advances, and the virtual abandonment of

foreign bank financing of interests such as shipping and foreign investment.

Separately, the unions of three foreign banks are demanding control of internal review boards dealing with discipline, promotions and staff appraisals and the right to initiate disciplinary proceedings, veto internal staff transfers and organisational changes, and to take "direct influence" over credit policy and lending decisions.

Feelings are running high. One foreign banker, commenting on the issue of a union say in the granting of loans, remarked: "This would introduce political criteria, and we'd close at once rather than accept." Another said foreign bankers "will never agree to lose control of their workforce in terms of the right to hire, promote and, if necessary, fire."

Otee, in the bankers' view, is making a play for power, and would rather see foreign banks disappear from Greece than stay outside union control.

# Soares gambles on public desire for stern measures

BY DIANA SMITH IN LISBON

IT TAKES a bold politician to promise two or three years of reduced living standards if his party is elected, but Portugal's Socialist leader, Sr. Mario Soares, has done just that.

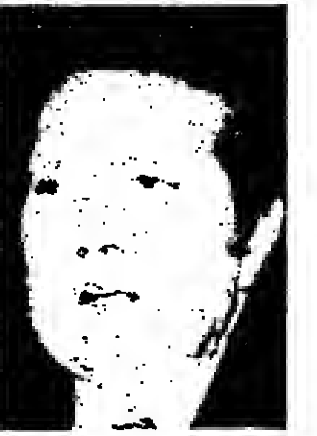
Warning that the Portuguese will have to live below European standards while the country's grave external payments problems are corrected, the Socialists are gambling on the people's desire for a Government willing to tackle the economy head-on to push them to victory in Monday's general election.

Were the Socialists an untied party coming fresh to the scene after a controversial period of centre-right government, their bleak portrayal of a suffering economy might ensure them a landslide.

They are unambiguously democratic, their manifesto calls for full functioning of the market economy, which should please the business community, in they firmly uphold membership in Nato and future membership in the EEC, and speak for tolerance and social peace.

Sr. Soares' combination of bombast and tough fighting in a crisis has a broad appeal. But he is not a new face and the Socialists had two years in government from 1976 to 1978. The economy was in deep trouble then. Sr. Soares' minority Government had little room to manoeuvre because of its weak parliamentary position and it was finally forced into a doomed marriage with the Christian Democrats before being summarily dismissed by President Antonio Ramalho Eanes.

So the electorate will decide whether the Socialists—1983 version—are better equipped now to handle Portugal's accumulated economic woes, and thus worthy of a strong



Soares... broad appeal

# Belgian loan aims to draw back funds from abroad

BY PAUL CHESBRIGHT IN BRUSSELS

THE BELGIAN Government is close to a decision on raising a large internal loan partly in order to draw back funds which have been deposited abroad.

The raising of the loan is expected to be linked to a "fiscal pardon"—that is there would be no questions asked about the origin of the funds to subscribe the loan.

Wilfried Martens's centre-right coalition has been discussing for some time how to ensure the repatriation of funds which fled to havens like Switzerland to avoid Belgian tax. But there has been opposition in the Cabinet from ministers with a political base in the unions. Their argument has been that wage-earners have been forced to moderate their demands to help restore the economy. Thus there should be no question of officially laundering illegally placed funds.

On the other side, the use of a fiscal pardon would enable the Government to tap further funds for economic investment at a time when other measures it has taken have led to an increase in bank lending to business.

Thinking within the Government seems to be leaning towards offering funds attracted by the fiscal pardon a lower rate of interest than would be normal on a state loan.

The actual size of the loan, its maturity and rate of interest have not yet been decided. But it is believed that the Government may approach the question in two ways.

First there would be the loan related to the repatriated funds and second there would be a tap stock.

An additional purpose of the fund-raising would be to have additional finance to help local government authorities whose financial difficulties are increasing.

In 1976 the combined debt of the Belgian local authorities was a modest Bfr 14bn (£197m), but by last year this total had reached Bfr 45bn (£623m) and towns like Liege are unable regularly to meet their supply bills.

The Government is demanding plans from the local authorities for a reordering of their affairs so that they will attain a financial equilibrium by 1988. It is prepared to offer extra financial assistance to those authorities with plans it thinks are viable.

# Norway ponders oil buffer

By Fay Gleeson in Oslo

THE CREATION of a foreign investment fund for oil revenues to protect Norway's economy from the impact of fluctuations in petroleum price and production levels has been recommended by a commission appointed by the Government. This does not necessarily mean, however, that the country, years after talking about it, will soon become a capital exporter.

The concept of a buffer fund has been welcomed in principle by politicians of all the leading parties, and the commission's report makes a very strong case for it.

It points, for instance, to the problems now facing many oil-producing countries as a result of the latest drop in oil prices. It cites other nations and regions which have sought to avoid such problems by setting up funds of this type.

The report also warns against the dangers of allowing the economy to become too dependent on the oil sector.

Mr Rolf Presthus, the Finance Minister, says he agrees with many of the commission's arguments. At present, however, there is no surplus of oil revenues to set aside to start a foreign fund. In the next few years, moreover, the state's oil-derived income is expected to fall.

The question of how a foreign investment fund should be administered is left open. One possibility, however, is that deposits could be made by the fund with Norwegian banks, which would then invest them abroad.

Mr Lars Uno Thulin, deputy managing director of Den norske Creditbank, Norway's largest commercial bank, said he would welcome a fund if it gave the banks a chance to use the money "aggressively" to help industry move into foreign markets.

# Nato discusses missiles stance

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

TWO TOP-LEVEL bodies charged with co-ordinating Nato's approach to the deployment of nuclear missiles in Europe are to meet in the next week in preparation for the reopening of the Geneva talks between the U.S. and the Soviet Union on May 17.

The Special Consultative Group, chaired by Mr Richard Burt, U.S. Under-Secretary for European Affairs, and charged with overseeing the Geneva negotiations, meets in Brussels today. The High Level Group, which is concerned with the actual deployment of the new U.S. Cruise and Pershing 3 missiles, meets in Naples next week.

It is the first time that either body, composed of officials of all 16 Nato countries, has met since before Easter, when President Ronald Reagan announced that the U.S. was now prepared to consider an interim solution which, without mentioning specific numbers, involves some deployment of the new missiles by the U.S. in return for some dismantling of the existing Soviet SS20 missiles threatening Europe.

European governments, which had pressed the U.S. to show greater flexibility in the negotiations, are pleased with the Reagan offer, principally because they think it has put the onus on the Russians to produce a new initiative which could lead to real negotiations.

However, officials in the SGG out the swift denunciation over Easter of the U.S. proposal by Mr Andrei Gromyko, the Soviet Foreign Minister.

They believe that Soviet policy remains to preserve its own monopoly in medium-range missiles in Europe.

At its meeting next week, the High Level Group is expected to continue its assessment of Nato's nuclear stockpile, an exercise that has already lasted for much of the last year.

Nato has pledged that the 572 new missiles, which are to be deployed from the end of this year unless the Geneva talks succeed, will not result in any additional nuclear warheads in Europe.

# Swiss bankruptcies climb

BY JOHN WICKS IN ZURICH

MORE BANKRUPTCIES were reported in Switzerland last year than in any year since 1935. According to government figures released in Bern, the number of bankruptcy proceedings started last year was 3,488, some 15 per cent above the 1981 level.

The trend has continued into the current year. Registered bankruptcies in the first quarter have been more than 26 per cent up on the figure for the corresponding 1982 period.

This development, a direct result of recession, has particularly affected small businesses set up in the previous two to five years.

Last year, about 40 per cent of all bankruptcies in Switzerland was accounted for by the building and service trades, and under 15 per cent by industrial businesses.



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## AMERICAN NEWS

Inexperience dogs the rulers of the former Dutch colony, reports Andrew Whitley

## Circuitous route to an independent Surinam

When Colonel Desi Bouterse, head of government and commander of the armed forces in Surinam, took a large party to the Non Aligned summit in New Delhi last month, his itinerary was revealing.

First the delegation flew to neighbouring Grenada to pick up Mr Maurice Bishop, the island's Left-wing leader and his party. Then the two groups went on to Havana. After talks with Premier Fidel Castro, the Cuban delegation joined the other two on an Aeroflot flight to Moscow, before going on to India.

How Surinam became the latest recruit into the Non Aligned Movement's "progressive bloc" is a tale which follows an equally circuitous, and at times accidental, route. It has more to do with the exorcism of colonial devils and Surinam's belated attempts to reduce its economic and political dependency on its former master, the Netherlands, than with any Machiavellian schemes by Havana.

The young revolutionaries of Surinam are just discovering Frantz Fanon, the Martinique-born writer who scourged the old colonial powers for their predatory instincts towards former dependencies. Their ideas emanate from the late 1960s, when the army sergeants who seized power years ago were coming of age.

In Surinam, however, unlike Angola or Ethiopia, Fidel Castro's men come in small numbers, dressed in smart suits, not combat fatigues. As one Western diplomat observed: "They don't consider Surinam ripe for harvesting yet."

Col Bouterse, at 37, is the do-facto head of Surinam's creole "tribe," the largest ethnic group in a plural society



which runs the gamut of racial types from Chinese to European.

He and the inexperienced Left-wingers who make up his latest government are finding it difficult to deal with dissent and the pressure for change. Last December, after weeks of tension provoked by mass rallies, strikes and constant criticism of the Government in the media, their patience snapped.

In an action unpleasantly reminiscent of Idi Amin's Uganda, soldiers rounded up 15 leading citizens, including lawyers, trade union leaders and a former President of Fifa, the international football authority, and shot them dead. Some were also tortured.

The next morning, Commander Bouterse, as he is usually known, announced on the radio that another counter-coup attempt — the sixth in his short rule — had been foiled. "It was a clear problem for the Government," said a foreign aid expert. "They knew they had no support and they didn't know how to solve the dilemma."

Brazil has taken an unexpected initiative aimed at pulling its small northern neighbour, Surinam, out of Cuba's sphere of influence, writes Andrew Whitley.

According to Brazilian officials, an aid package to be offered to Surinam includes military training for Surinamese officers at Brazilian academies, a major increase in the present negligible level of trade, and—perhaps the most tantalising inducement to switch allegiances—the transmission by satellite of

The thing just had to stop. The events of December 7 and 8 halted the opposition to the regime, but also helped internationalise what had been largely a family feud between the old colonial power and its prickly offspring.

An estimated 180,000 Surinamese have taken refuge in the Netherlands over the years leaving a local population of only 345,000. The vast majority of the middle class welcomed the 1980 coup as a relief from the sterile, ethnic-based politics and corruption of the past, but in recent months the outflow of the well-to-do and their loss of confidence in the government have been unprecedented proportions.

Outraged over the killings, The Hague has suspended its financial aid — Surinam's economic lifeline — and two military pacis.

Within the country, Col Bouterse and his Left-wing supporters decided to move against the pro-U.S. power centre developing around Major Roy Horb, the number two man in the regime. A close personal friend of Col Bouterse and one

of the dwindling band who had seized power in February 1980, Maj Horb was becoming openly disaffected with the course of events.

Maj Horb and 14 others, including two former Ministers, were arrested in February on charges of plotting. Two days later, the 29-year-old major "committed suicide" in his cell, officially by hanging himself with the string from his shorts.

His death provoked renewed street demonstrations and a fresh period of tension. But since then the country has been peaceful, with all signs of opposition apparently stamped out.

Colonel Bouterse has appointed a new Government, headed by Prime Minister Errol Alibux and made up of two small parties on an uneasy coalition of conventional politics before the 1980 coup. The larger of the two, Paim, is a strongly nationalist and socialist party while its junior partner, known as the RVP, is avowedly Marxist and pro-Cuban.

The 34-year-old Prime Minister, an economics graduate from Rotterdam University, is also the leader of Paim, the only party immediately to endorse the sergeant's coup. Paim is credited by diplomats as having worked within the first, broad-based Government set up by the military, to bring it down. Its new alliance with the RVP is an uneasy one and few expect it to last.

To date the Government has made no public policy statements, concentrating on establishing itself. But according to Mr Winston Caldera, the Deputy Prime Minister, there is no question of elections for at least three years.

In the meantime, power rests in the hands of a four-man "policy centre" made up of Col Bouterse, Mr Alibux, Mr Caldera and the one man identified as a potential threat to the present set-up, Sergeant Major Sital.

Strongly pro-Cuban, the burly, heavily bearded sergeant-major has already been jailed once, in 1980, for attempting a coup against Col Bouterse. He has now been rehabilitated with a power base in the army and the local people's committees he is responsible for organising.

Politically independent of the two Government parties, MSM Sital has become the power-broker behind the scenes. How deep his loyalty to Col Bouterse is no outsider can judge. But when the next round of in-fighting takes place among the "magnificent 16" who took power three years ago, the betting is that the former army medical corps man will be among the survivors.

## Argentine relatives hope to avert clash

By Jimmy Burns in Buenos Aires

A GROUP of relatives of Argentine war dead said yesterday they would return to their country if prevented from entering the British exclusion zone around the Falkland Islands by British warships later this month.

However, the prospects of a major diplomatic incident developing between Argentina and Britain over the trip remained with the relatives still vowing to defy a British ban and set sail from Buenos Aires on April 30 in an Argentine ship.

"Our only intention is to go to the island, place some flowers on the graves, and say some prayers before returning to our country," Mr Jose Desiderio, a 40-year-old father of three, said. "We are not coming forward with bullets then we can no longer accuse us of being the violator of human rights." Mr Desiderio, an Argentine organiser of the trip, said.

Mr Desiderio denied that the Argentine Government or sectors of the armed forces were behind him.

He said the crew and some 60 passengers travelling on the Argentine transport ship—provided by ELMA, the state-owned cargo line controlled by the Argentine navy—were civilians. The passengers will include five members of the Argentine and foreign press who Mr Desiderio said were necessary witnesses to any British action.

The trip appears to be at the centre of a growing campaign of intimidation against British subjects in Argentina.

A statement issued by the local offices of the Italian news agency, ANSA, implicitly accused Britain of conducting "a psychological campaign" against Argentine interests. The statement follows local coverage of an alleged interview conducted by The Times newspaper in London with General Leopoldo Galtieri.

The interview, written as fiction and in a humorous tone, was reported as genuine by the local press, promoting a major controversy within the armed forces. On Wednesday, Mr Andrew Thompson, the Buenos Aires correspondent of The Times, received a telephoned death threat from alleged members of the "Triple-A" right-wing terrorist group.

## Reagan budget hopes rest on bipartisan Congress agreement

BY ANATOLE KALETSKY IN WASHINGTON

HOPES of reducing U.S. budget deficits below the \$200bn level at which they could remain until the end of the decade rest largely on the outcome of today's meeting of the Senate Budget Committee.

The committee's Republican members have failed to agree modifications of President Ronald Reagan's budget proposals, including the modest cuts in defence spending reluctantly put forward on Wednesday by top White House officials.

This failure was caused by the refusal of two conservative Republicans to accept the President's call for "standby" tax increases in the years beyond 1985.

Hopes for an orderly resolution to the nation's budget problem now appear to depend on a bipartisan agreement between moderate Republicans and the Democratic party leadership, according to Senator Pete Domenici, the Republican chairman of committee.

Any compromise which might be worked out at today's meeting is likely to reflect the Democrats' priorities rather than those of President Reagan, unless the President unexpectedly manages to regain the political initiative which he effectively lost in February by proposing a budget which called for higher taxes and for some restraint on military spending, but was distinctly half-hearted.

## Glenn formally enters presidential race

NEW CONCORD, Ohio

Senator John Glenn of Ohio, who in 1962 was the first American to orbit the earth, has now formally announced that he was a Democratic contender for the presidency in 1984.

Senator Glenn, 61, has deliberately waited to become the last of the six proclaimed Democratic candidates. The others are Senator Alan Cranston of California, Senator Gary Hart of Colorado, former Vice President Walter Mondale, former Florida Governor Reubin Askew and Senator Ernest Hollings of South Carolina.

preference polls. Mr Mondale leads Senator Glenn by a 2:1 margin, with the rest trailing behind.

Senator Glenn has the advantage of being well known as an astronaut, but also has wide popular appeal in South America, which will send the biggest block of delegates to the July 1984 Democratic nominating convention.

He is a political centrist compared to the liberal Mr Mondale, Senator Cranston and Senator Hart, putting great emphasis on defence and the need to modernise the economy. Mr Askew and Senator Hollings are to his right.

## Managua counters U.S. charges of Soviet allegiance

BY HUGH O'SHAUGHNESSY IN MANAGUA

NICARAGUA's left-wing Sandinista Government has announced an ambitious programme to celebrate the 200th anniversary of the birth of Simon Bolivar, the Venezuelan who led the fight for Latin America's independence from the Spanish Empire.

The announcement was made by Comandante Tomas Borge, a top Sandinista leader and Minister of the Interior at a meeting this week, attended by

cabinet ministers and leading figures in the left wing government.

The move is seen as a clear sign that the Sandinistas are keen to underline the roots of their movement in the traditions of Latin American nationalism and the search for democracy and to counter claims by their opponents, principally the U.S., that they are following an ideological blueprint prepared in Moscow and Havana.

The programme, starting on the anniversary of Bolivar's birthday in June, includes official ceremonies, the renaming of schools, colleges and a national day of the army after Bolivar, and essay and poster competitions on the theme "Sandino, son of Bolivar."

Cesar Augusto Sandino, after whom the Nicaraguan revolutionaries named their movement, was the leader of a guerrilla campaign against U.S. forces

which occupied Nicaragua in the 1920s and 1930s. He was killed in 1932 by Anastasio Somoza, founder of the dynasty which the Sandinistas finally overthrew in 1978. Sandino was an admirer and follower of Bolivar, the most democratically minded of the early 19th century Latin American revolutionaries.

The announcement came as Father Miguel d'Escoto, the Nicaraguan Foreign Minister,

met the foreign ministers of eight other Latin American countries in Panama in an effort to agree a strategy for ending the fighting in Central America.

The planned celebrations emphasise Nicaragua's determination not to be politically isolated by the U.S. and to strengthen its ties with politically important and still wealthy South American patrimonial regimes.

## OVERSEAS NEWS

## Labor unveils plans to boost industry in Australia

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE Australian government yesterday outlined an ambitious legislative programme that promises wide-ranging measures to boost the economy and provide thousands of new jobs.

The programme includes a major boost to house-building, a promise to revitalise the Australian industry and a specific commitment to formulate a long-term development plan for the Australian steel industry.

Most of the measures outlined are based on the Labor party's successful election platform of early last month, when it won office with a commitment to achieve national "reconciliation, recovery and reconstruction."

The legislative plans were contained in the opening address to Parliament in Canberra written by the government for the Governor-General, Sir Ninian Stephen. Parliament reconvenes for a month-long session on May 3.

The government also announced yesterday that it would seek to "abolish the residual and anachronistic con-

stitutional links with the United Kingdom, but not (those) affecting the constitutional position of Her Majesty, the Queen of Australia, Queen Elizabeth II as Australia's Head of State."

As a follow-up to last week's tripartite economic summit meeting in Canberra, the government plans to form an Economic Planning Advisory Council, representing governments, business, unions, and farmers and to establish a prices surveillance mechanism.

Development of a strong, competitive manufacturing sector was of crucial significance, the government said, promising a "programme of industrial regeneration to revitalise existing industries and seek new opportunities for growth in areas of high technology."

The government repeated its commitment to preserve the Australian steel industry—which effectively means the stricken steel division of Broken Hill Proprietary (BHP), the country's largest company—said talks were proceeding with a view to formulating a long-term steel development plan.

## Chinese workers win 8% pay rise

By Mark Baker in Peking

CHINA'S 115m urban workforce is about to receive a general pay rise of about 8 per cent, but the government plans to re-acquire a big slice of it by pushing workers to buy bonds.

Official directives are believed to have been issued for government employees, staff of national enterprises and industrial workers to get pay rises of equivalent to about 1.75 a month. The present average urban income is some 22.50 a month.

At the same time the government is mounting a strong campaign to get all urban workers to buy bonds worth an average of about 57, one-third of the annual income.

The wage rise was foreshadowed last December when the premier, Zhao Ziyang, outlined the new five-year plan, projecting that the national wage bill would rise from the equivalent of \$26.7bn in 1980 to \$34bn in 1985.

But the first indication of the general pay increase has come only with the dispatch in the past few weeks of circulars to workplaces.

The majority of workers are paid according to an eight-tier scale, while cadres and special work categories are paid according to a 25-tier scale.

The "sting" to the rise is the bond programme. While ostensibly a voluntary scheme, it appears that workers will need a good excuse not to buy. Notices sent to workplaces are said to emphasise the importance of all workers co-operating in the bond scheme to help national development.

Chinese urban workers have not had a general pay rise since the 1977-79 period. Teachers, intellectuals and other professionals are believed to have received general increases earlier this year.

The government's first bond issue was opened in 1981, to work units and collectives only. It was made available to individuals last year and this year's issue is said to have been oversubscribed already.

Most of the bonds have a 10-year maturity and offer interest of around 8 per cent.

Kevin Muehring in Jeddah assesses the implications of last week's budget announcement

## Saudis pin hopes on oil market upturn

BUDGET DAYS in Saudi Arabia have come to pass with a certain grain of salt over years, because they are less a catalogue of hard and fast numbers than a rough indication of the country's psychological mood.

The deficit budget announced last week forecasted a spending of SR 260bn (\$50.8bn) against revenues of SR 225bn.

Many businessmen who expected lower spending and braced themselves for the worst, were relieved by the announced target. Some diplomats predicted a higher figure because of political factors, and were surprised by the government's relatively realistic assessment of the oil outlook.

This still represents Saudi Arabia's first budgeted deficit in a decade, and the hardest hit sectors will be those involving infrastructure development. The ministries of agriculture, oil, industry and electricity, along with the grain sales and desal-

ination corporations, will receive an allocation of only SR 130n, about 40 per cent less than last year.

Allocations for municipal services were slashed 27 per cent to SR 190n, and for the transport and communications sector by 23 per cent to SR 24bn.

As the Ministry of Finance rarely misses a chance to note, these cuts have already taken place, in as much as actual expenditures last year are estimated to have fallen to SR 245bn from the SR 313bn originally budgeted. If all goes well, therefore, there will be a 7 per cent increase in spending in the coming year.

The budget nevertheless represents a "best case scenario" for the anticipated revenues of SR 225bn presume a substantial upturn in the oil market by the fourth quarter of this year.

On the revenue side, the figures are based on SR 50bn investment, tariff and tax income, and at least SR 160bn

in crude oil export income after taking into account income at SR 150n in natural gas liquids and refined product income.

On the basis of the current \$29 benchmark oil pricing structure, this would translate into an annual production average of at least 5.8m barrels a day if the 600,000 b/d of domestic consumption is included, although there is also the unknown factor of financial or crude oil export aid to Iraq.

Sheikh Mohammed Aba al-Khalil, Minister of Finance and National Economy, said last week: "We in the Finance Ministry would be happy with 6m b/d."

Crude oil production in April, however, is believed to be only marginally better than the 5.5m b/d which Saudi Arabia is producing. It is probably the easier course.

Underneath the SR260n spending target. Because the Ministry of Finance, whose political power has grown considerably, will find it difficult to trim the government wages and benefits which comprise the

bulk of recurrent or administrative expenses, further spending cuts would have to fall on the project side.

The 14 per cent drop in actual expenditures to SR245bn last year from SR283bn the year before was entirely on the project side.

Last year the Government squeezed through by slowing the payments stream to contractors or by tossing out contracts for non-essential projects.

Contractors say they already support the SR245n earmarked for new projects this year will not be fully disbursed because of the additional bureaucratic delays created by two recent bidders. These require open bidding and the awarding of 80 per cent of contracts to Saudi companies.

One banker said he believed the government would trim those projects which have a high foreign component, as these would have the least political or economic cost.

## Indians seek protection against expatriate takeovers

BY K. K. SHARMA IN NEW DELHI

INDIAN businessmen have asked the Government to prevent the takeover of established and profitable companies by expatriate Indians, for whose benefit various investment incentives were announced last February.

The businessmen have been alarmed by the heavy buying of shares of two Delhi-based companies—Delhi Cloth Mills, run by the Shriram Group, and Escorts, the light engineering and other items.

The share prices of both companies have more than doubled in the past few weeks following heavy purchases by unidentified people, widely believed to be Indians living abroad.

In an interview published in the Times of India yesterday, Mr Swarni Paul, a London-based Indian businessman who

is a close friend of Prime Minister Indira Gandhi, admitted that he had bought shares of the companies.

A number of industrialists have met Mr Pranab Mukherjee, the Finance Minister, in the past few days and pointed out that the incentives to encourage investment by non-resident Indians could mean that their money will be used to take over existing companies rather than start new ones.

They have suggested that a ceiling of 2 per cent of the total equity of any company should be imposed on purchase of shares by non-resident Indians to prevent them from gaining a controlling interest.

The crux of the businessmen's fears is that non-resident Indians, with powerful political influence may seek the Government's help in any takeover bid.

## Detained Tanzanian hoarders face tribunal

BY MICHAEL HOLMAN IN DAR ES SALAAM

SEVERAL HUNDRED alleged hoarders of black market and illegal currency dealers—including senior civil servants, police officers and prominent businessmen—have been arrested in Tanzania in the past three weeks, and are likely to face instant justice before a specially-constituted tribunal.

A Bill to establish the tribunal, with powers to imprison offenders for up to five years, was presented to the national assembly yesterday.

The Government-owned Daily News newspaper carries almost daily accounts of the wave of detentions, with pictures of the most prominent offenders.

The announcement of a campaign against "economic sabotage" launched at the end of May.

The plan to introduce retrospective legislation, however, has been sharply criticised as effectively circumventing the established judicial system. Mr Wolf Dourado, former Attorney-General of Zanzibar, described it as "a draconian measure" which infringes human rights.

will have to plead their own cases and will not be entitled to defence counsel.

Every town and city in Tanzania has been affected by the exercise, adopted by police and officials of the ruling Chama Cha Mapinduzi Party.

While some genuine culprits have been found, many Tanzanians have also been caught up in the campaign whose only offence has been to hold on to bar of soap too many or keep their shilling under a mattress because they distrust the banking system.

The result of the campaign, however, has been to return to the shops items which have either been scarce or unavailable.

The campaign is therefore a popular move by a government facing the consequences of serious policy shortcomings over the past decade.

## Lebanon deaths prompt Israeli pull-out calls

By Our Tel Aviv Correspondent

RENEWED CALLS surfaced yesterday for a unilateral withdrawal of Israeli troops to the Awali River in Lebanon following the death of two Israeli officers in a clash with Palestinian guerrillas.

The two Israeli and four Palestinian guerrillas were killed when the Palestinian troops tried to infiltrate an Israeli-controlled area just south of the Beirut-Damascus highway on Wednesday.

Another three soldiers were injured during an exchange of fire between Christian and Druse forces east of Beirut earlier in the day.

This brings to 466 the number of Israeli killed in Lebanon since the invasion last June, with more than 2,500 injured. Since October 10 last year, when the army spokesman put out the final figure for the casualties of the war in Lebanon, 93 soldiers have been killed.

This steady trickle of deaths and injuries has led some Cabinet Ministers, as well as opposition figures, to urge a unilateral fall-back of Israeli forces.

## PLO in bid to break Mid-East deadlock

TUNIS—Palestine Liberation Organisation (PLO) chairman Yasser Arafat began crucial meetings of the organisation's leadership in Tunis today in an effort to break a deadlock over Middle East peace moves.

Palestinian sources said Mr Arafat, who returned where early yesterday after a tour of East European states, chaired a meeting of the PLO's 14-member executive committee which had been postponed several times after the suspension of talks with Jordan 11 days ago.

The Tunisian news agency TAP said it was to be followed by a meeting of PLO guerrilla groups in an effort to agree on the terms of resuming talks with Jordan.

But informed sources said it was not yet confirmed that leading Syrian-based PLO hardliners, such as Mr Nayef Hawatmeh and Mr George Habash, would attend.

King Hussein of Jordan suspended the talks which had been going on for six months, after radical PLO leaders opposed a deal with Jordan which they saw as inspired by President Reagan's proposals for Palestinian self-rule instead of an independent state as they demand.

Some Arab diplomats said yesterday that resumption of talks with Jordan was the PLO's last chance, and if this did not happen it would mean the PLO being left in the political desert.

Since the talks broke down in Amman Mr Arafat has been on a non-stop diplomatic drive, conferring with senior leaders in Czechoslovakia, Hungary and Romania after meeting with the heads of state of Algeria, Morocco and Tunisia.

At the same time high-level inter-Arab contacts were being conducted, which senior Palestinian sources said included mediation between the PLO and Jordan by King Hassan of Morocco.

The Arab diplomats said the purpose of the diplomatic offensive was to overcome radical PLO and Syrian objections by means of a compromise formula that would lead to a Palestinian consensus and give Mr Arafat a mandate to resume talks with King Hussein.

Palestinian sources said a consensus would emerge among the PLO leadership if it was agreed to call on President Reagan to revamp his plan by recognising Palestinian rights to self-determination.

Reuter



## WORLD TRADE NEWS

# Why some Hong Kong companies are not serving Cognac

BY ANDREW FISHER IN HONG KONG

WHEN Shing Cheong Electronics held its Chinese New Year party in February one of Hong Kong's favourite tipplers, French Cognac, was absent. Scotch Whisky was the only spirit served.

Said Mr Patrick Chau, managing director of the watch company: "It was a bit of a sacrifice, but we also saved money."

Doing without the brandy was not, however, decided on by Shing Cheong and other watch companies for cost reasons. It was an expression of the exasperation felt over France's continued curbs on imports of quartz timepieces from Hong Kong.

A breakthrough could occur soon, though. A special panel of the Geneva-based General Agreement on Tariffs and Trade (GATT) should shortly reach its conclusions.

"It's a clear case," said the GATT director general, Mr Arthur Dunkel, on a recent visit to the British colony.

He did not say how this clarity would translate itself into an actual decision by the panel—with GATT representatives from Australia, New Zealand, and, ironically, Argentina—but said its deliberations would be over soon.

The French brought in quotas on Hong Kong watches to protect their own industry from what they saw as over-rapid and over-cheap market penetration from the colony. Their big producers like Japan were not affected.

The results for Hong Kong watch sales to France, with a population of more than 52m,

have been dramatic, though the market is not one of its biggest. The quotas began in October, 1981. During the previous 12 months, sales of quartz watches to the French had been around HK\$215m (\$21m). They fell to HK\$118m (\$11m) in the following year to October, 1982. In contrast, though not in value, Hong Kong is the world's major watch exporter. Foreign sales of its timepieces were worth HK\$2,325m (\$232m) in calendar 1982, a rise of only 1 per cent.

The French bought HK\$100m worth, mainly quartz, a drop of 30 per cent.

The French also their quota for the colony's quartz watches at 8.5m pieces for the 15 months from October, 1981, with a quota of 4.4m for this year. During the 15 months to the start of the quotas, Hong Kong's watch makers had sold nearly 6m quartz pieces in France.

Shing Cheong itself is not a major seller to France, though it has done business there. Its main market is the U.S. But so its office lobby wall is a bold poster which makes clear the industry's opposition to the curbs.

No French Cognac," it says above a picture of a dark green brandy bottle on which is a little French flag and surrounding which is a red no entry sign. Right for the prompt removal of the unfair French quotas on Hong Kong quartz watches," reads the text below. Whether the call is having any effect is hard to tell. Hong Kong's inhabitants drink their way through over 6m litres of French brandy a year.

## Rising Hong Kong watch exports worry W. Germany

BY JOHN WICKS IN ZURICH

THE West German watch industry is concerned at the rapid growth in imports from Hong Kong. Mr Herbert Oberfell, chairman of the trade body Verband der Deutschen Uhrenindustrie, has observed. Deliveries from the Crown colony rose by almost 35 per cent in 1982 to 15.9m of total imports of 22.9m units for the year. Mr Oberfell said the industry was now supporting and promoting the destruction of jobs, he claimed.

Kong watches by France. Speaking at an industry fair in Hanse, he called for scrapping of the duty-free quota accorded Hong Kong watches. The British firm, which is now a leading producer of quartz wristwatches and could no longer be considered a developing country. "The privileges must be done away with, otherwise the Government will be supporting and promoting the destruction of jobs," he claimed.

## Moscow warns Poles on quality of goods

By Christopher Sobinski in Warsaw

THE HIGH price of Polish exported goods, their poor quality and late deliveries have been cited by the Soviet Union as a major obstacle to improving bilateral trade.

The Soviet view was made in the Rybnik Zgranalome, a Polish foreign trade publication, in which Mr Boris Koltunow, the trade councillor at the Soviet Embassy, told Polish exporters that Russia "does not need out-of-date goods which Polish enterprises are offering as technically newly developed."

He also pointed out that according to the Soviet side prices being asked by the Poles were too high and disregarded the Comecon pricing formula which bases prices on the average world price of a given product in the five preceding years.

According to Soviet figures Poland failed to supply 185m roubles (\$18m) worth of contracted deliveries by the end of last year, and all but 70m roubles worth of this shortfall had been made up by March 20. However, with Polish exports to the Soviet Union valued at 750m roubles in the first quarter of this year the Poles, according to Mr Koltunow, were already 140m roubles behind on this year's deliveries.

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## VW of Mexico to sell kits to Nigeria

By William Chislett in Mexico City

VOLKSWAGEN De Mexico, the country's leading car producer, is to export 1,000 assembled Carabe cars and 30,000 kits to make its Atlantic car represents a breakthrough for the company into the Nigerian market.

Volkswagen sold 2,400 fewer cars in 1982 in Mexico than in 1981 and the outlook for this year is gloomy.

## Peter Blackburn in Abidjan reports on a \$650m contest to build a hydro scheme French ahead in Ivory Coast dam tenders

FRENCH COMPANIES are in the forefront of a race by nearly 180 concerns from 20 countries for contracts in the \$650m Soubre hydroelectric power scheme, the Ivory Coast's largest project since independence in 1960.

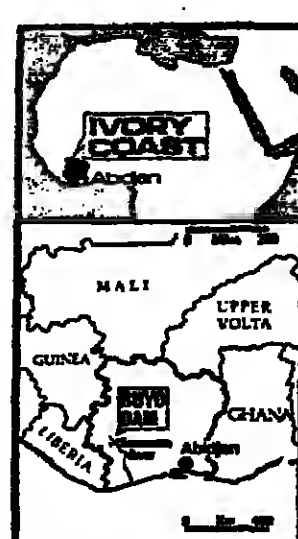
The French will be striving to repeat their success on the last major dam project at Buvo, upstream from Soubre on the Sassandra River. The Buvo civil works contractors, Chantiers Modulaires-Razel France, with the local company Seged, are first on the list of pre-qualified groups.

French businesses are present in 11 of the 22 consortia invited to bid by July for the \$650m civil works component representing 40 per cent of the total project cost.

French consulting engineers from Electricite de France have prepared tender documents and will help evaluate bids and supervise construction.

Soubre, the country's sixth dam and most important project since independence in 1960 is seen both as a development of the hydroelectric power policy started in the mid-1970s and as a major stimulus to a depressed economy.

Since the 1973 oil crisis there



has been a remarkable switch in the pattern of electricity production. The amount produced by hydroelectric schemes has risen to 90 per cent from 25 per cent while that of thermal plants has dropped to 10 per cent from 75 per cent. The reduction of fuel oil imports has resulted in major foreign exchange savings.

"The Soubre project will contribute towards the country's economic recovery both through the volume of investment and by the share of work carried out in the Ivory Coast," said Maurice Seri Godebe, the Minister of the Economy and Finance.

He also stressed the stimulus given to regional development in a country where economic activity is overwhelmingly concentrated in the coastal capital Abidjan.

In order to gain time—the project is already more than one year behind schedule due to problems in raising civil works finance—only local companies will be invited to bid for \$30m of workers' accommodation construction due to start in July for completion by the end of the year. Work on the rest of the project can begin in January, 1984. The project is due to be completed in 1988.

Civil works have proved difficult to arrange. Mr Godebe bluntly told donors: "Certain institutions are not interested in civil works, which generate few direct exports from industrialised countries."

A compromise was finally reached—subject to approval by the Arab Fund's headquarters—whereby the boycott clause would be inserted in the loan agreements but not the tender documents. In contrast to the civil works credits, which are untied, the raising of \$180m to finance electro-mechanical

and transmission equipment is easy.

The U.S. Export-Import Bank has offered a 20-year credit—twice its normal length—in an effort to penetrate the French-dominated market. The \$100m credit is at 10 per cent interest. France's Caisse Centrale de Co-operation Economique is making a rival offer, while there is also strong competition from West German and Italian Government credits.

Soubre power station will have four 82 MW generators—twice the capacity of the Buvo station. It is designed to produce 1,600 KW a year—equivalent to 90 per cent of present electricity production.

Planners at Electricite de la Cote d'Ivoire (ECCI) point out that Soubre will only meet the country's electricity needs until 1990.

They add that the country is faced with an electricity shortfall in the two years before Soubre becomes operational in 1988. This takes into account spare capacity at Abidjan's Vridi thermal power station and slower demand growth due to the recession. But they plan to bridge the gap by making greater use of the link-up with the Ghanaian grid.

## Indian engineering sales face Middle East setback

BY P. C. MAHANTI IN CALCUTTA

THE international recession and financial troubles in the oil producing Arab world could cause a serious setback to India's growing engineering exports during the current financial year.

Industrialists connected with the Engineering Export Promotion Council predicts that the Rs 15.5bn (\$1bn) export target is likely to fall short by at least Rs 1bn.

Mr R. K. Singh, the executive director of Engineering Export Promotion Council says India's engineering goods exports to the Middle East have started declining as most of the oil producers in the region are experiencing financial difficulties because of falling oil revenues. Even Saudi Arabia seems to be in difficulties. At least 25 per cent of Indian engineering exports in the form of capital goods and projects exports go to Middle Eastern countries.

In the past five years these have grown by 15-20 per cent a year without break but the growth rate during 1983-84 is likely to be negative.

## Gas pipeline bids sought

NEW DELHI—The Indian Government is preparing to invite international tenders for a gas pipeline project on the west coast, Energy Minister P. Shiv Shankar said yesterday.

The proposed 240 kilometre pipeline will take natural gas from the offshore South Bassin field near Bombay to a fertiliser plant at Hazira in India's western Gujarat state, he told a parliamentary committee.

Construction of the pipeline will start in October this year and is expected to be completed in April/May next year. He gave no further details about the project or its cost.

## Anti-submarine warfare orders won by Marconi

By Michael Dwyer, Aerospace Correspondent

NEW ORDERS worth \$25m for airborne anti-submarine warfare systems have been won by Marconi Avionics, part of British General Electric Company group, from both the RAF and the Royal Australian Air Force.

The equipment will be fitted into RAF Nimrod maritime patrol aircraft, and into the RAAF's new P-3C Orion patrol aircraft.

The system works through sonobuoys deployed in the water, which detect submarine noises and enable the underwater craft to be precisely located. The equipment will be built at Marconi Avionics' Maritime Aircraft Systems Division at Rochester.

Sub-contractors include McAlister, Rank Pollen Controls, Computing Devices of Canada and the Marconi Avionics Airborne Display Division.

## Libyan weapons row could stop Brazil aircraft sale

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL'S seizure of the four Libyan aircraft carrying weapons to Nicaragua could endanger the impending sale to Libya of military aircraft worth \$2.7m cruzeros (\$190m).

Over the year Libya has been one of the best customers of Brazil's expanding arms industry. But the largest part of the deal in question, for 150 single-engine trainers, would have been a new breakthrough.

The Brazilian-designed trainer, known as the Tucano, has so far been sold by its manufacturer, Embraer, only to Brazil's air force.

Brigadier General Delio Jardim de Mattos, the Aviation Minister, acknowledged on Wednesday that the affair of the impounded aircraft could lead to a suspension of negotiations with Libya. But he said: "More important than these exports is the maintenance of Brazilian sovereignty."

Reports yesterday that some of the impounded weapons being examined at Manaus airport after being unloaded from the Libyan Ilushins could be of Brazilian origin did not surprise Brazilian officials. Brazilian-made armoured cars were used by Libya in Chad and by Libyan-backed dissidents in Sudan during the 1970s. More recently Libya has bought Brazilian surface-to-air and air-to-ground missiles.

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## UK NEWS

## Law Lords restrict 'blacking' of ships

By Raymond Hughes,  
Law Courts Correspondent

A HOUSE of Lords judgment has imposed limits on the industrial action which the International Transport Workers' Federation (ITF) can take against shipowners operating under flags of convenience.

Lord Diplock said the judgment would affect not only the federation's campaign but might also make "blacking" more difficult in other industries where sub-contracting was common.

The Law Lords ruled yesterday that disruption by the ITF of port services to a chartered ship gave its owner a right to sue the ITF for damages.

The blacking of the vessel prevented it leaving port and so interfered with the owner's obligation under the charter to complete voyages as quickly as possible.

The owner would be damaged because the charter party provided that, if the vessel were delayed by industrial action, no hire would be payable by the charterer to the owner.

As the owner was not a party to the disrupted contract for the supply of port services, the blacking was unlawful secondary industrial action.

The Law Lords recognised the effect their judgment would have - not only on the ITF's campaign. It might, said Lord Diplock, also make blacking more difficult in other industries where contracts were common. The ITF had appealed against a temporary injunction stopping the blacking at Liverpool of the Liberian-registered Hoegh Apapa, time-chartered by Merkur Island Shipping to Leif Hoegh.

The ITF, which was trying to force Merkur to give the vessel's Filipino crew ITF-approved wages and employment conditions, caused it to be blacked by tugmen and other port workers, making it impossible for it to leave.

In fact an exceptionally high tide forced the lock-keepers to open the gates, enabling the vessel to sail. To that extent the court case became academic.

## MacGregor hopeful of new steel plant

By Peter Bruce

MR IAN MACGREGOR, chairman of the British Steel Corporation, yesterday held out the possibility of commissioning a new steel plant in Scotland in the next 10 years, a move which he said could "put Scotland back in the forefront of steel-making."

His remarks appear to mark the beginning of a determined effort by BSC to deflect criticism of a proposed joint venture with U.S. Steel, which could have the 4,000-strong workforce at Ravenscraig plant near Glasgow.

Mr MacGregor said BSC was trying to develop new processes which would enable BSC's two mothballed direct reduction ironmaking plants at Hunterston in Scotland, with a

combined capacity of 800,000 tonnes a year, to fire on coal instead of gas.

If the research was successful, said an aide, electric arc furnaces could be installed at Hunterston to make steel.

"Within the decade there may be steel plants at Hunterston with the prospect of a very competitive future, because they will use a process which will be a world-beater," Mr MacGregor said. "Our labs are working very hard and we have a number of inventive ideas which could well result in developments to steelmaking."

"If that is the case we will put Scotland back in the forefront of steelmaking. And we will use Scottish coal at the plants - I have made that a condition."

## Franchise operations expanding

By David Churchill

FRANCHISE operations expect their turnover to reach £500m by the middle of this year and to top £1bn by 1985, according to a new survey of members of the British Franchise Association.

The survey also shows that the franchise companies expect to create an extra 7,500 jobs by 1985 as a result of more people moving into franchising.

The association has about 50 member companies in such areas as fast food, drink catering, and car rental. There are about 4,300 franchised outlets, according to the survey, employing some 31,000 people.

The average total cost of a new franchise in 1982 was £28,500.

## 'Closure threatened' at five shipyards

By Philip Bassett, Labour Correspondent

MOST of Scotland's shipyards could close within 18 months, a shipbuilding official said yesterday.

The closures predicted by Mr Chris Finnelly, shipbuilding national officer of the Engineers' and Managers' Association, to the Scottish TUC conference, would mean the loss of a further 11,000 jobs in Scotland, three times the total estimated by British Shipbuilders (BS).

While the forecast depends on the exhaustion of current work at the yards, BS is itself warning that it sees no more ship orders in prospect. Its order forecasts have regularly proved reliable.

Detailed material in Mr Finnelly's predictions was drawn from informal soundings by the union among the senior managers it represents in the industry and some

close contacts with government officials.

Conference delegates unanimously passed an emergency resolution calling for "essential action" to save the industry, including withdrawing all tax concessions from British companies building vessels abroad, further government aid, a policy of scrap-and-build and retaliatory action against the dumping policies of South Korea and Taiwan.

Mr Finnelly said that if immediate government action was not taken, five yards would close - Govan Shipbuilders at Upper Clyde, Henry Robb at Leith, and Scott Lithgow, Barclay Curle and Kinross, all at Greenock. Calculations based on Mr Finnelly's remarks put the total loss at about 11,000 jobs.

## ICI recovers with 'a very good March'

By Carla Rapoport

THE first-quarter figures of Imperial Chemical Industries (ICI) will show a "distinct improvement" on those of any quarter in 1982, the chairman, Mr John Harvey-Jones, told shareholders yesterday.

This pushed ICI's shares up 32p to 488p yesterday, one of their biggest advances of the year.

The chairman cited signs of a revival in business confidence, and said ICI had a "very good March." The new confidence, he said, resulted from improved production figures in the U.S., renewed stability in continental European countries, stronger UK markets and generally lower inflation.

Mr Harvey-Jones, however, did qualify his optimism. "It may be a false dawn, but it would be a pretty poor outlook if we couldn't take pleasure at some good news for a change," he said. "All I would counsel is that we don't go overboard."

Analysts have recently upgraded their forecasts for ICI's results this year, with some looking for more than £470m in pre-tax 1983 profits.

For the first quarter, brokers are now expecting between £30m and £35m pre-tax, compared with £22m last year. ICI's good news helped the FT Industrial Ordinary Index to jump 13.5 to close at 892.

## Sotheby's less united in rejecting U.S. bid

By Charles Batchelor

A GROWING number of fine art experts at Sotheby's, the international auction house which is trying to fend off a £61m bid from two wealthy American businessmen, say they are no longer behind their management.

Sotheby's has claimed unanimous support from its senior experts for its rejection of the bid from Mr Marshall Cogan and Mr Stephen Swid, two New York businessmen and art enthusiasts.

Mr Nabil Saidi, Sotheby's oriental manuscripts expert who yesterday took the lead in publicly criticising the company's management, said he had received declarations of support from more than a dozen other experts.

"I have received 13 or 14 telephone calls from people saying they felt like I felt," he commented. "There is a lack of communication between the management and staff. They are taking us for granted."

Another of Sotheby's experts said that, while senior staff felt a tremendous loyalty to the management, many others felt they had

been coerced at crowded public meetings into tacitly giving their support.

"There has been waterlogging about what the Americans would do," the expert said.

Mr Gordon Berman, chairman of Sotheby's, said: "There are 300 to 400 experts at Sotheby's and it would look funny if we said support was 100 per cent."

## Tilbury dockers stay on strike

THE PORT of London Authority board will meet in emergency session today to consider its financial plight, after 1,000 Tilbury dockers voted by two to one yesterday to continue their official pay strike. The dispute is running its course. The authority will achieve by the end of this month the reduction of 200 in its 2,000-strong non-docker workforce which it had planned for the whole of 1983. It is looking for further cuts.

## BNOC between the oil market and the deep blue sea

Ray Dafter examines the private oil companies' attacks on the Government-owned trader

OIL industry knives are out for the British National Oil Corporation (BNOC), the state-owned trading company.

BNOC has lately been the butt of a whispering campaign, with leading companies questioning whether the corporation, as the leading North Sea trader, was more trouble than it was worth.

Now the views are in the open, exposed in presentations to the all-party Energy Select Committee of MPs. Esso, the UK arm of Exxon - the world's largest oil company - declared it wanted BNOC scrapped.

"BNOC serves no useful role as a government agency," Esso said. British Petroleum (BP) and Shell UK, the other two leading North Sea producers, called for BNOC's role to be reviewed.

"BNOC faces major difficulties in carrying out its oil trader role in present circumstances in view of the diverse natures and aims of its many suppliers and customers," said BP.

It is nothing unusual for private sector industries to challenge the effectiveness and efficiency of state-owned undertakings. Indeed, the present Government has been encouraging the challenge. BNOC, however, is no ordinary state undertaking.

Even companies advocating BNOC's abolition concede that it has been clever and professional in negotiating a new North Sea reference price - of \$30 a barrel - which was acceptable to most of its customers and suppliers and which was unlikely to trigger fresh price-cutting by members of the Organisation of Petroleum Exporting Countries (Opec).

BNOC had a key role in these negotiations because it handles around 57 per cent of all the oil produced in the North Sea's UK sector. This year, for instance, it expects to trade almost 1.5m barrels a day.

This means that at present prices BNOC is handling about £25m worth of crude oil daily.

Much of this oil - around 490,000 b/d - is sold straight back to producers but the remainder has to be sold to BNOC customers, usually refiners.

When the oil market is stable there are many customers willing to pay the price at which BNOC buys its supply on the Government's behalf. The UK has always

priced its oil at a level that will ensure the last drop is sold.

BNOC is left exposed, however, when there are insufficient buyers willing to pay official prices, as in recent weeks. Gulf Oil stopped buying BNOC oil altogether.

The immediate drop of around 130,000 b/d sales left BNOC seeking new buyers. Some of the oil has been sold on the spot market leaving BNOC nursing losses estimated at several million pounds.

BNOC's adversaries are unhappy, partly because they feel the corporation intrudes unnecessarily into the free-enterprise North Sea business, and partly because it brings so much Opec attention on a contrived UK reference price.

Many companies would like to be left to settle their own UK market prices. Recently this would almost certainly have meant lower prices being paid by refiners of UK crude.

It might also have helped to start a much more marked erosion of world prices, maybe even a collapse.

BNOC has two main aims. It is the Government's vehicle for ensuring national security of supply during shortages, and it has a duty to ensure, "through effective trading and marketing," that the UK economy receives maximum benefit from the oil made available under state participation arrangements.

On the first point companies argue that the Government's reserve would be sufficient to ensure supply in times of need. Some ministers and civil servants doubt whether such powers would be sufficient to override private oil companies' commercial interests.

The second point opens up a hornet's nest of claims, counter-claims and intrigue. Without BNOC, North Sea prices could have drifted downwards and settled naturally at what could have been a true market value.

On the other hand, BNOC's intervention may have helped to stave off a price collapse with all that would have implied for reduced tax revenues and economic instability.



Mr Nigel Lawson

Energy Secretary Mr Nigel Lawson has emphasised the need for pricing stability. He has even defended BNOC at a time when he is more inclined to take a tilt at state energy corporations.

He concedes that BNOC, formed from the merger of British last year, is different from other state bodies. It is small, having just 125 staff, it makes no profit, and it provides no service to the public.

It is usually left unsaid that BNOC is also much more a direct instrument of Government policy than any other state body.

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In 1977 Saab's introduction of the world's first turbo-charged production car was arguably the most important motoring breakthrough of the decade; certainly it was a lead that other manufacturers did their utmost to follow. Today, with the arrival of the revolutionary Automatic Performance Control system, the Saab Turbo is once again unique: the first turbo to use a micro-computer to achieve an even more impressive combination of power and economy.

To understand how a relatively small car-maker has consistently stayed ahead of much bigger rivals, Saab has to be seen in context, as part of a unique 'family'. The Saab-Scania Group has a clear philosophy: we concentrate and specialise. Within carefully selected areas we channel all our resources into developing technologically advanced products that can out-perform the competition.

Scania trucks, for example, have brought a new flexibility to the world of heavy transportation. Intelligent modular design makes them almost infinitely adaptable to different client's needs.

In the air too, Saab-Scania aircraft leads the way with the Saab-Fairchild 340 - a quieter, more fuel-efficient 34 passenger turbo-prop, designed for the rapidly growing regional and feeder traffic market.

But the different divisions of the Saab-Scania Group share much more than a philosophy: time and again, the specialised knowledge and expertise of one has proved invaluable to another. The turbo concept, for example, had been used by Scania on diesel engines for many years before Saab introduced it to the motoring public.

The success and strength of the Saab-Scania 'family' is clearly reflected in the company's performance both at home and worldwide. Foreign markets account for an ever-increasing share of our sales and our growing network of service and production facilities abroad provides yet more proof of Saab-Scania's commitment to a truly international outlook.

For further information, please write to: Saab-Scania, Corporate Communications and Public Affairs, S-581 88 LINKÖPING, Sweden.

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Starting April 26th.

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PA103	DEPARTS	ARRIVES
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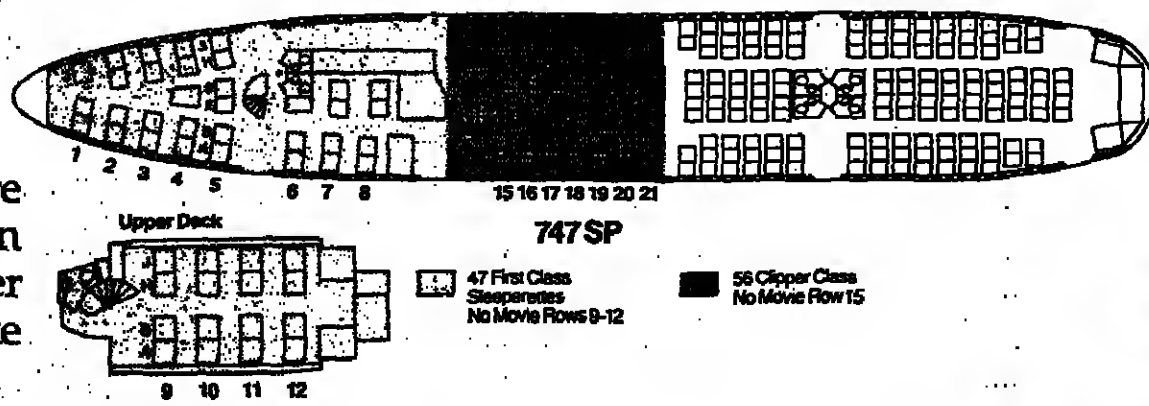
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## UK NEWS

## Classical music is a popular play on the silver compact disc

DEMAND for the revolutionary new compact disc audio system is outstripping supply. Manufacturers, who launched the equipment less than two months ago while they were still suffering the effects of the video disc's initial failure, are quietly delighted.

The compact disc is a high-quality, digital record system devised from Philips' LaserVision video disc. A small laser reads minute pits on the surface of a silvery disc, less than 5 inches in diameter. The disc does not wear out, is hard to damage and has higher quality sound than conventional records.

A comparatively limited number

of compact disc players and discs became available at the time of the European launch at the beginning of March. Although the players cost at least £300 and the discs £10 each, the early stocks sold out immediately.

The compact disc was launched in Japan last October, where sales far outstripped expectations. By the end of the year 35,000 players and 300,000 discs had been sold. Demand in the four European countries where it is available - the UK, West Germany, France and the Netherlands - has also been strong. Philips, which has only 150 dealers selling the compact disc in the

UK, sold virtually all its initial 1,000 players and has restocked, although there are still back orders. The supply of players and discs is likely to remain restricted for some time.

Another reason for the shortage of supply is that the system is being launched in many countries during the next two months, including the rest of Europe, Australasia and Sin-

gapore. Plans to launch in the U.S. this autumn may also be brought forward.

The main suppliers of the players in the UK are Philips, Sony, Hitachi and Marantz, a wholly-owned subsidiary of Philips. Pioneer is expected to introduce a system at £200 in May to be followed later this year by Technics (Matsushita), Sharp and Fisher (Sanyo).

Philips says the typical UK purchaser has been older than expected, at least 35, and in the C1/C2/D economic groups. Mr Roy Harris, marketing manager for the Philips compact disc, said: "The slightly older profile than we expected is probably because the repertoire was rather classical-oriented at the beginning."

Classical records also benefit more from the audio disc as most recent recordings have been made by the higher definition digital system. Most of the early titles came from Polygram, which has the only European pressing plant for the discs at Hannover.

Some new titles are becoming available from record companies including CBS, RCA, Chrysalis and Virgin. This month EMI Music, one of the largest record companies, announced that it too was supporting the compact disc.

One reason for the audio disc's apparent success is that all the main consumer electronics and record companies have backed the new system.

## Gatwick Airport opens new terminal

GATWICK Airport's new £20m satellite terminal becomes operational today after its formal opening ceremony by the Duchess of Norfolk.

The satellite is the first air terminal outside the U.S. to have an unmanned rapid transit system - an automatic, tracked railcar - to carry passengers to and from the main terminal building. Two rail coaches, each carrying up to 80 passengers, will run between the satellite and the main terminal in 43 seconds. The rapid transit system was built by Westinghouse of the U.S.

## New move for rail union federation

FRESH moves to launch the long-planned but long-delayed Federation of British Rail's main unions will be made next week. The Federation could be crucial to BR's future industrial relations.

The impetus for the move lies in the succession to the general secretary of BR's largest union, the National Union of Railwaymen, of Mr Jimmy Knapp. He was elected with left-wing support.

## Funds will benefit richer areas

INTERNAL Manpower Services Commission documents on a proposed adult training strategy, announced last week, make clear that the richer areas of the country will receive a higher share of the funds to be allocated.

The regional priorities point to the use of government spending as a stimulant to the high technology growth sectors and areas - even where that is at the expense of depressed regions.

## BMA campaigns for air route

BRITISH Midland Airways has launched a major publicity campaign in Northern Ireland in support of its application for a licence to operate a service from Heathrow, London, to Belfast.

The airline's decision to opt for the airport at Belfast Harbour in preference to the main airport at Alderney, will intensify the battle between the two airports.

Northern Ireland Airports, which operates Alderney, will oppose the BMA application, as will British Airways.

## Honda dealer argument ends

TREACRIMONY that for several years has marked relations between the Motor Agents Association, representing many of the UK's 2,000-plus motorcycle dealers, and market leader Honda UK has ended.

Representatives of the MAA, who in the past have accused Honda of "having bent over backwards" to help dealers, have emerged from talks with senior Honda management to declare that "a new era" had begun at the company.

## Tax plan to aid public transport

SPECIAL taxes on petrol, car sales or even company payrolls might be used to help pay for public transport in British cities, according to a new reference book published by Jane's.

The book, Urban Transport Systems, says public transport in British cities is often less heavily subsidised and passengers have to pay more for their travel than in other countries.

## Property agency's lettings boost

ENGLISH Industrial Estates, the Government's industrial and commercial property developer, nearly doubled its lettings and sales to new occupiers last year.

EIE said that provisional figures for the year to March 31 indicated a 50 per cent rise from 1.4m to 2.1m sq ft. In the year, EIE let and sold 849 units to new occupiers compared with 308 in 1981-82.

## Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

## Reports of the Directors for the quarter ended March 31 1983

## WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 14 334 278 shares of 50 cents each

Quarter ended March 1983

Quarter ended Dec. 1982

Six months ended March 1983

OPERATING RESULTS

Area mined - 000 000

Time milled 000

Yield - g/t

Production - g

Cost - \$/g milled

Riton milled

R/g produced

JMS (See Summary)

Slimes delivered

Time 000

Head grade

Sold - g/t

Crash - g/t

Slimes - g/t

Slimes - g/t

PRICE RECEIVED ON SALES

Gold - \$/g

Slimes - \$/g

FINANCIAL RESULTS

Gold - revenue

Slimes - revenue

Net profit

Net profit

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## PRESIDENT STEYN

President Steyn Gold Mining Company Limited

and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL: 14 334 278 shares of 50 cents each

Quarter ended March 1983

Quarter ended Dec. 1982

Six months ended March 1983

OPERATING RESULTS

Area mined - 000 000

Time milled 000

Yield - g/t

Production - g

Cost - \$/g milled

Riton milled

R/g produced

JMS (See Summary)

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Head grade

Sold - g/t

Crash - g/t

Slimes - g/t

Slimes - g/t

PRICE RECEIVED ON SALES

Gold - \$/g

Slimes - \$/g

FINANCIAL RESULTS

Gold - revenue

Slimes - revenue

Net profit

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## FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 10 448 000 shares of 50 cents each

Quarter ended March 1983

Quarter ended Dec. 1982

Six months ended March 1983

OPERATING RESULTS

Area mined - 000 000

Time milled 000

Yield - g/t

Production - g

Cost - \$/g milled

Riton milled

R/g produced

JMS (See Summary)

Slimes delivered

Time 000

Head grade

Sold - g/t

Crash - g/t

Slimes - g/t

Slimes - g/t

PRICE RECEIVED ON SALES

Gold - \$/g

Slimes - \$/g

FINANCIAL RESULTS

Gold - revenue

Slimes - revenue

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## JOINT METALLURGICAL SCHEME

Summary

Private flotation plants

Slimes treated - tons

Uranium plant

Slimes treated - tons

Uranium plant

Slimes treated - tons

Uranium plant

Slimes treated - tons

Uranium plant

Slimes treated - tons

Uranium plant

Slimes treated - tons

Uranium plant

## ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES

1. DIVIDENDS

Attention is directed to an announcement published in conjunction herewith, relating to the declaration on Thursday, April 21 1983, of interim dividends for the year ending September 30 1983.

2. DEVELOPMENT

Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

3. FORWARD SALES OF GOLD

Most of the forward sales of gold contracts entered into by the companies during 1982, which were still in force at December 31 1982, were closed during the past quarter, resulting in a slight reduction in gold revenue for the quarter. There have been no further forward sales.

The Transvaal Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries:

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Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICES: 40 HOLBORN VIADUCT, EC1P 1AJ

## WELKOM GOLD MINING COMPANY LIMITED

The attention of shareholders is directed to the report of WESTERN HOLDINGS LIMITED.

Unbeatable:  
the new  
BD-4511



## TECHNOLOGY

EDITED BY ALAN CANE

DISNEY TRANSFERS TECHNOLOGY FANTASY FROM FLORIDA TO JAPAN

## Tokyo learns Epcot lessons

BY ELAINE WILLIAMS

THE WORD Disney is synonymous with childhood dreams, fantasies and Mickey Mouse. It is an American as the bald-headed eagle or the Stars and Stripes.

But last week the first Disneyland outside the U.S. opened in Tokyo. It is expected to be a considerable money spinner for Walt Disney Productions though the organisation has not put a single penny into its development.

The Japanese project is the brainchild of the Oriental Land Company, which started negotiations with Disney in 1974 but did not secure agreement until 1979.

Walt Disney, which will receive a percentage of the takings of the Japanese Disneyland for the next 45 years, provided much of the technical know-how to run such a dream world.

It has been able to draw upon the expertise Disney Productions gained during the building of its two famous theme parks in California and Florida and, more recently, the construction of EPCOT, Disney's largest investment, ever.

EPCOT, standing for Experimental Prototype Community of Tomorrow, cost nearly US\$1bn. The idea was to allow the public to see and touch the technology of today and tomorrow. It was envisioned in surprising detail by Walt Disney himself in 1955 but funds were not committed to the project until three years ago.

## Go-ahead

Once the go-ahead was given an opening date was set for 9.00 am on October 1, 1982. The legend at the company goes that the "Futurama" company, the architects who were contracted to build the complex, commented that it hardly seemed like enough time. Mr. Carl Walker, the then president and chief executive of Disney, is reported to have paused for a moment before saying: "How about 9.30?"

If EPCOT was a challenge for the builders it was a nightmare for the technologists who had to develop the computer systems which have to run also every aspect of the EPCOT operation from the hotel reservations, stock control of the shops, electronic point of sale terminals to the entertainment, the rides, and automated cleaners that make up the



"Mississippi" musicians, Japanese, style, entertain visitors to Tokyo's new Disneyland

magic of Disney. Mr. Jack Cornwell, director of Management Information at Walt Disney Productions, explained that the specifications for EPCOT were extremely detailed and a computer based text editing system had to be developed so that the designers could produce the specifications. About 9,000 individual files were entered and stored on their large computer to produce 79,000 pages of specifications — duplicated as many as 100 times. This was to allow 20 major and 500 subcontractors to bid.

Once the bidding was over, materials from gliders to dinosaurs started appearing on the construction site. Computers were then harnessed to keep track of the inventory, and ensure that the flow of equipment and materials to the worksite was in the right order to meet the tight time schedule.

"Purchasing, material control, shipping and receiving and all project co-ordinating functions in California and Florida were able to have on-line access to and update common files," Mr. Cornwell said.

Even staff recruitment, career development and work schedules are crisscrossed with the aid of

the computer. Supervisors use the system to create work schedules so that every ride, food location and shop is adequately covered. The computer program takes into account hourly, daily and seasonal fluctuations in the crowds, the shifts involved and the variety of job functions needed.

## Real fun

Disney also has one of the most sophisticated hotel reservation systems in the world. It is possible to book a room up to 10 years ahead. Much of the administrative systems are run on large Sperry computers. Sperry has been involved with Disney since it took over RCA's computer activities in 1971.

But entertainment and education are the main purposes of EPCOT. As Mr. Cornwell put it: "the real fun starts when you begin to apply computers to the actual operation of the attractions."

There are 12 different real time control systems using 45 minicomputers and more than 1,000 microcomputers. The company's first entry into the era of real time control was in 1971 with the Digital Animation Control System or DACS. Now

three dimensional, historical and cartoon figures (known as audio-animatronics) are created using DACs and are the centrepiece of many shows and attractions at EPCOT.

The system was upgraded for Tokyo Disneyland and EPCOT. It allows an artist or animator to sit behind a special console and programme the intricate moves of each figure as well as the lights, sound, curtains and doors to create a complete show.

Once the programming is over, a monitoring system called MACS takes over to synchronise shows and detect faults in equipment. Then there is the General Purpose Ride Control System which looks after boats, cars and moving rides. It takes anything from one to 10 microprocessors to look after a ride.

Through a colour graphic touch sensitive terminal, the ride operator monitors the tracks for the ride, control switches, ride status. The computer system scans the entire ride every 10 seconds so that safety commands can be issued to adjust to varying ride conditions. Much of this technology has been transferred to Japan for the new Disneyland.

CONVERGENT DIVERGES INTO PORTABLE COMPUTERS

## Is this the executive toy for the electronic office?

BY RAYMOND SNOODY

CONVERGENT Technologies, the California-based manufacturer of intelligent workstations, is planning a major divergence.

The company, whose dramatic growth has been based on bringing the power of a small mainframe computer to individual desks is moving to the other end of the market with a small portable tool for businessmen and engineers.

The new product is called Ultra and it will be launched in November at less than \$1,000.

Ultra measures 8 1/2 in by 10 1/2 in by 4 1/2 in thick, and will carry out the role of calendar, address book, diary and part of a dictation machine. It will be able to handle anything involving lists or arrays of information.

"When a businessman sees one he will want it," Mr. Allen Mitchell, president and chief executive of Convergent, said confidently in London last week.

And although he was keeping the precise details of the new product close to his chest, it is clear that Ultra will have a lot of calculating power, and be able to run business programs, have a screen for displaying information and an integral modem so that it can be plugged into a telephone to connect with computers inside or outside a company.

It will have its own batteries for use on planes and trains and a miniature tape recorder.

Convergent has set up a separate division to produce the personal portable workstation and plans to develop a whole family of the devices aimed at — by Convergent's usual standards — the mass market.

Convergent, which was founded in August 1979 by Mitchell and Bob Garrow, both of whom had been working for Intel, the microchip manufacturer, has been primarily an original equipment manufacturer (OEM). Its main customers are Burroughs, NCR and C.I.

But Ultra will be sold under Convergent's own name and marketed in top retail stores.

Growth at Convergent has been spectacular even by California computer standards. Revenue in 1980 was \$207,000. In 1981, the first full year when

products were being shipped, it was \$10m and in 1982 \$24.7m.

The staff at Convergent now total 700—170 of them in research and development—and Mitchell says no organisation in the world can keep replicating its skills and culture at the rate they've been doing "without screwing things up." We are going to continue being what we are but at a more sane pace," Allen Mitchell said.

That, he believes, means growth this year of between 50 per cent to 100 per cent.

## Success

Convergent's success so far has been based on providing multifunction workstations cheap enough to be dedicated to a single user but with their own self-contained computing power. They are able to handle both text, number processing and graphics and can be grouped in clusters sharing common data bases.

But despite the rapid growth, Allen Mitchell, aware of growing competition and a product life cycle that was coming down to 18 months, last July called a meeting to consider the future. Ultra was one of the ideas that came out of the two-day "retreat". Another was Megaframe, a new 32-bit super mini-computer to be launched next month.

"These products didn't exist in concept at this time last year," says Mitchell.

Megaframe is designed around a collection of multi-processors which run simultaneously. The number of processors can be increased to as many as 36 as the customers needs grow.

"It is designed to continue to grow and never run out of steam," says Mr. Robert Groves, Convergent's international vice-president based in the UK. A Megaframe for eight users will cost around \$22,000, for 64 users \$84,000 and the 128 terminal model which can handle 4m instructions per second (mips) will cost in the region of \$140,000.

The company has set up a separate data systems division to develop and manufacture the new super mini which it sees as competitive with Digital Equipment Company's (DEC) VAX

730 and the Hewlett Packard 3000. Product competition in maturing markets is a fact we had to deal with. That's why an array of new products are essential," says Mitchell, who spent 11 years at DEC—the second best company in the world—before moving to Intel.

To fund the stream of new developments Convergent has built up a "war chest" of \$120m through the offer last year of 4.8m shares.

The customer base for its original products is also growing. Last month, Convergent signed an agreement with Prime Computer and next week another such agreement with Gould/SEL will be announced.

Convergent is also hoping to expand in Europe. Mitchell, on his first business trip to Britain, said he was optimistic that it would lead to deals in the UK. But although things seem to be going well for Convergent, Mitchell laughs, puffs at his cigar and says: "I'm waiting for some bolt out of the sky to zap us. I'm superstitious."

## Computing

## Sord's home computer

SORD, THE fast growing Japanese microcomputer company, has launched its M3 home computer in the UK. It costs £199.95 and is based around the 280A processor. As is now customary, a domestic television set can be used as the display and audio cassette and parallel printer interfaces are provided.

The company has reached agreement with Computer Games Limited to market the M3 through its dealers.

The company also announced a low cost local area network, SORD S-NET, which will take up to 32 Sord Network Stations communication units and a maximum of 128 terminals. It can be connected to other computer networks. Sord in the UK is on 01-430 4214.



## Cash handling

## Mars Money stops '£1' slugs

EVEN IF the new £1 coin is having a mixed reception among the general public, it seems likely to present welcome new opportunities to that part of the criminal fraternity specialising in coin vending fraud.

The reason of course, is the higher value: it will be more worthwhile to create metal discs simulating the pound coin than it was for the 50p piece—and that caused a good deal of trouble for the vending industry.

Over the years fraudulent coins have appeared in various forms, from the humble engineering washer to numerous foreign coins that have similar characteristics to higher value British coins. Similar weight "slugs" too, can quite easily be turned up on a lathe from suitable bar stock.

Mars Money Systems however, is countering the crook with a microprocessor controlled, programmable coin handling mechanism that uses three radio frequency sensors to identify metal discs with high accuracy.

When the disc is pushed into the system, it first encounters a pair of coils that are part of a high frequency oscillator circuit; the frequency is changed by an amount proportional to the thickness of the coin.

It then passes two other, lower frequency coils, one transmitting and the other receiving a signal that passes through the coin; the drop in signal strength measures the resistivity and magnetic properties of the metal. Finally, another dual coil sensor can derive size (usually 22mm), and shape.

All this data is fed in milliseconds to the micro which is programmed to accept only certain known discs. Anything else is detected and rejected. Mars Money is on 0755 70921.

## TOMORROW'S OFFICE WON'T HAVE WALLS

Soon it will be just as easy to work with somebody across the ocean as across the hall.

Modern corporate information systems — at least the kind Ericsson makes — will make office walls obsolete.

Not only can these systems communicate easily over short or long distances, with people on or off the premises. They can also transmit text, pictures and data just as easily as voices.

These systems are based on more than a century's experience of putting people in touch with each other by telephone. But they employ radically new technology.

The AXE telecommunications networks Ericsson is now installing all over the world are basically just enormous computers, with digital control, digital switching and digital transmission.

No other system in the history of telecommuni-

cations has ever enjoyed such spectacular success as the AXE. Seventy telephone administrations in 45 countries have chosen it since it was introduced in 1977.

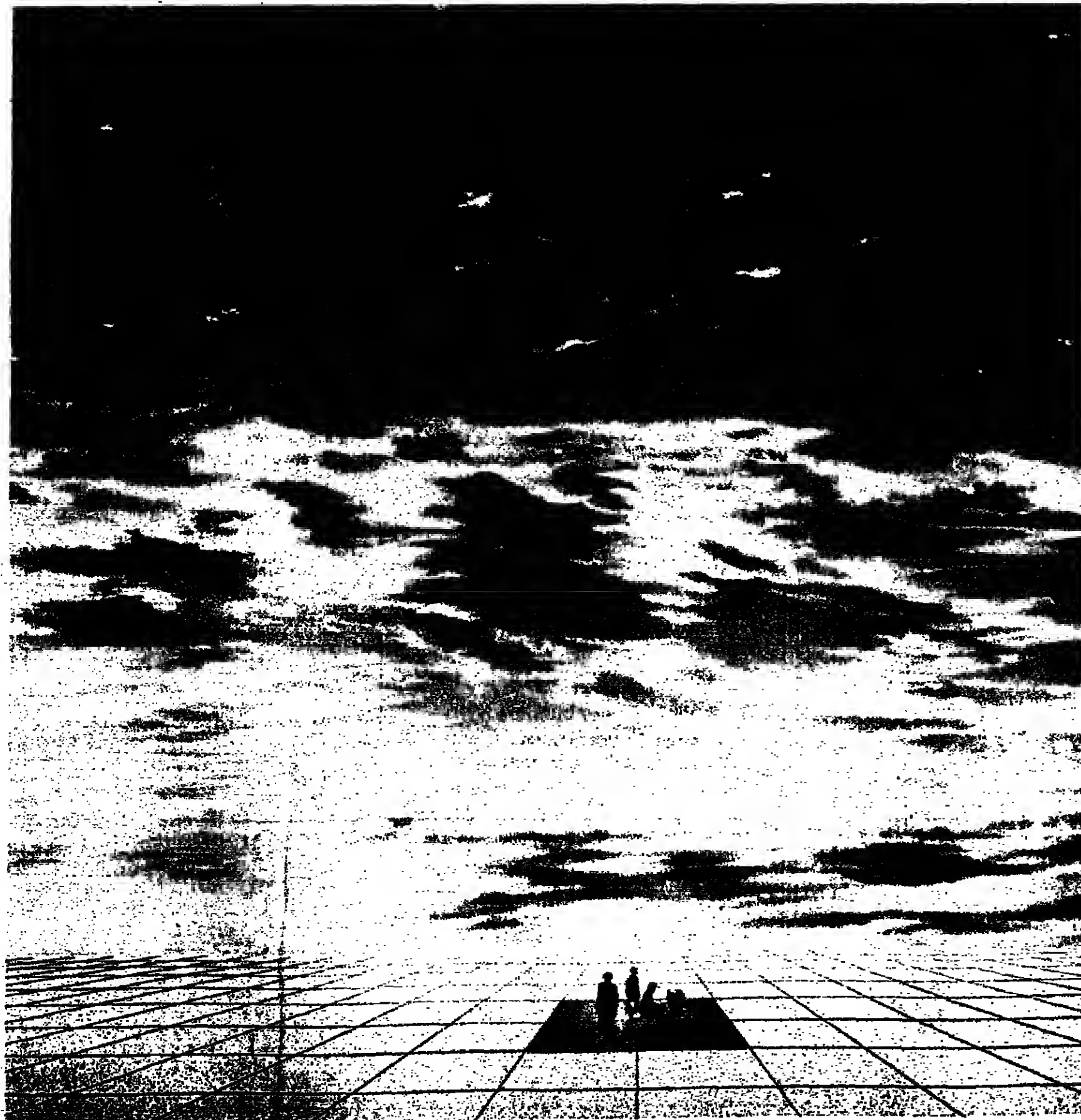
The same kind of technology is now available for your company. It can let computers, even different types and makes, talk to each other. You can build bridges between previously isolated islands of local computers and office automation systems.

Better, faster and cheaper information can make your company more productive and more competitive on every level.

Best of all, you can get a system exactly matched to your company's requirements, and you can update it at whatever rate and to whatever degree of sophistication you like. With or without walls.

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Information Systems

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## THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

THE DETACHED house in London's St John's Wood behind Lord's cricket ground could be a doctor's surgery.

The only indication that 45 Circus Road is the headquarters of an organisation with an annual turnover of £180m is a brass plate on a gate post and in the hall a wooden plaque listing the principal subsidiaries.

The company is Grovewood Securities, an industrial holding company which comprises nearly 100 companies in 25 groups employing nearly 7,000 people. They cover everything from Brands Hatch motor racing circuit, merchant banking services and building services to baby carriages, agricultural machinery, scientific instruments and medical services.

For nearly 30 years Grovewood has been run by John Danny, a barrister-entrepreneur who has turned a company set up to provide respectable homes for women workers during the First World War—mees were only allowed to visit during the day—into one of Britain's most unusual conglomerates. Danny runs a tight ship—his headquarters is staffed by just seven managers and seven secretaries and costs £450,000 a year.

In the 1960s, when Brands Hatch was a significant part of Grovewood's operations, Danny appeared in the newspapers as an E-type Jaguar driving gourmet and theatre lover. But in recent years Danny—chairman and chief executive and who travels in a chauffeur-driven Rolls—has kept a deliberately low profile. He tends to break cover once a year when he announces the results of Grovewood, which has been a subsidiary of the Eagle Star insurance group since 1975.

Then, around this time of year, Danny places his annual advertisements. The ones which appeared this week said: "£17m pre-tax profit for 1982—increased £12m—the 15th successive year of record profit." This was a quarter of Eagle Star's profits.

It goes on to say how Danny is always looking for the right company to buy and explains: "Entrepreneurs sell to us part of their shareholdings, retaining managerial control and we purchase the balance over periods suitable to them."

The record of consistent, if sometimes unspectacular profit from companies with little apparent in common is unusual, particularly as some of those profits are being produced from companies in sectors hard hit by recession—though last year Grovewood had one of its rare casualties. Dunsters, makers of wooden television cabinets, had

## Little in common but profits

Raymond Snoddy on the unusual style of the head of a UK conglomerate



John Danny: "I don't think I could work with a thundering bore"

to be closed down with 100 redundancies because its market simply disappeared.

But more unusual than the profit record at Grovewood is John Danny's managerial philosophy. When he is going to buy a company he looks not at industries or products but at people he can like, trust and work with. And when he has chosen they are allowed to get on with it.

Many of his really important decisions are taken at his own table at Claridge's. Grovewood, he laughs, only really begins to function as an enterprise at lunchtime.

Danny finds some of his companies from corporate marriage brokers—word-of-mouth—or personal recommendations.

Others come as offers in the post, such as V.G. Instruments, manufacturers of spectrometers and one of the most successful in the group.

He doesn't use merchant banks much. "They tend to ask what industry are you interested in. My answer is I am interested in people," says Danny, who is a qualified company secretary as well as a

neighbourhood. He says he does everything he can to increase their status, never makes surprise visits and invites diverse groups of his managers for regular informal lunches in the best London hotels where they can discuss their problems.

The lunching method of management is of course backed up by detailed monthly reports received from all subsidiaries and overall budgets and policies are set by Grovewood senior management.

Danny believes he absorbed a sense of the importance of motivating people when he was for some years a management engineer on the staff of American consultants, Stevenson Jordan and Harrison.

On the other side of the fence Michael Rogers, managing director of Grovewood's medical services group, which includes everything from nursing homes to doctors' deputising services, says simply: "The main thing is freedom from stress. You are trusted to get on with it."

Danny first became involved with what was to become Grovewood in 1952. He was asked to sort out a legal tangle over the flats for women and stayed. He realised there was little financial future in flats in which men were not allowed to live, and turned the company towards industry.

Danny built up his family stake in Grovewood to 30 per cent—at first by underwriting shares, Eagle Star, which had been involved in financing purchases, held 26 per cent. In 1975 he decided to sell out to Eagle Star—for the same reason many of his clients sell to Grovewood—to raise money for his family and friends.

One problem facing Grovewood is what happens when Danny, who did every deal himself and knows every manager, retires when his contract runs out in three years' time.

"Grovewood is a very delicate mechanism and if Eagle Star put in one of their accountants or actuaries it could be ruined in a few years," says Danny. He believes it could be best run by an entrepreneur like himself—someone with a direct financial stake in its success.

Sir Denis Mountain, chairman of Eagle Star, says Grovewood is unique and finding a successor to Danny will be difficult. "It is run by an entrepreneur and they don't grow on trees," says Sir Denis.

Danny is clear what he wants to do when he retires. He plans to go back to setting up and helping to run new companies, perhaps in high technology, which were too small or too risky to add to the Grovewood portfolio.

## 'Ego ideals': the key to a new career?

WHAT WAS the first thing you did that pleased your mother? And what would you like your epitaph or obituary to say?

The answers to these questions, believe it or not, should contain the key to whether or not a manager could, or should, embark on a second career—the dream of many frustrated individuals who feel trapped inside unsatisfactory jobs.

So says Harry Levinson, an industrial psychologist, writing in the latest issue of Harvard Business Review. He warns, however, that the reasons for thinking about a new career are not always positive.

Levinson believes that people strive toward but never achieve their ego ideals. With successive accomplishments, aspirations rise. But when the gap widens between one's ego ideal and one's current self-image the angrier one is at oneself and the more inadequate, guilty and depressed one feels.

Some people want to change, he says, because they are always dissatisfied with themselves; others are depressed and angry, believing they are more talented or capable than they really are.

Seeking a new career for these reasons is an exercise in futility, he says. "If a manager blames the job, the boss, or the company when the source of his discontent is really himself, his second career is likely to be as disappointing as his first. Therefore a manager, before embarking on choosing a second career, must have an honest picture of himself and understand the changes he probably will go through."

Asking himself questions about his childhood and personal aspirations will help work out what, in Levinson's jargon, is called an individual's "ego ideal," otherwise defined as one's ideal future image.

His view is that "a careful review of family history and school and work experiences can go a long way in outlining the needs that are important to the ego ideal."

March-April 1983. Reprints from Reprints Service, HBR, Boston, MA 02163, U.S.A. Telex TWX 710-320-6737.

Arnold Krausdorff

## JAL's circular route to winning back customers

BY CHARLES SMITH



Matsuo Toshimitsu called on Japan's feudal past

JAPAN Air Lines has revived what it says is an idea from the country's feudal past to re-establish the morale of its staff and win back the confidence of customers following a series of disastrous incidents which undermined the company's reputation in 1982.

The idea, in very simple terms, consists of having managers and staff sit in circles for hours on end on the rush mat floors of temples or old-style Japanese restaurants discussing the company's performance. The scheme involves JAL offices in provincial cities such as Sapporo and Fukuoka.

JAL calls these meetings *kuruma-zu*, or "circular-circle" meetings. It claims that *kuruma-zu* were held regularly in pre-modern Japan to settle the affairs of local communities.

In today's Japan families or groups of relatives occasionally hold similar meetings. The JAL *kuruma-zu* meetings differ from the better known quality circles (QC) that are popular with many Japanese companies in that they include both management and rank-and-file workers. They also differ in the numbers involved. JAL's regional offices frequently employ more than 100 staff members (including management), all of whom would normally be invited to participate in circle meetings.

Attendance is voluntary (and unpaid) but appears to have been overwhelming at most of the meetings so far held. The "programme" at each *kuruma-zu* consists, apart from a short introductory speech by a senior manager, of spontaneous contributions from rank and file employees on the theme of how to get business moving again after the setbacks of 1982.

The point of holding the *kuruma-zu* meetings in temples or traditional Japanese restaurants, according to Matsuo Toshimitsu, the JAL executive vice-president in charge of marketing, who helped to initiate the idea in the first place, is to create a sense of informality that would be lacking if everyone sat at inhibiting western chairs and tables.

Toshimitsu adds that the circular lay-out of the meetings abolishes the "sense of rank" and makes everyone feel equal. *Kuruma-zu* meetings form part of JAL's marketing re-

sponse following the disastrous slump in the company's domestic passenger traffic last year after the bizarre "February 9 incident," in which a pilot who was later declared to be acutely schizophrenic, flew a DC 8 aircraft into the shallow waters of Tokyo Bay.

JAL's domestic traffic in January 1983 was running at roughly the same levels as a year earlier but dipped by 11 to 15 per cent during the next three months. The dip was particularly sharp on the all-important Tokyo-Sapporo route (Japan's busiest single air route) where JAL's share of traffic fell—to the benefit of its main competitor, All Nippon Airways—from over 50 per cent to not much more than 40 per cent.

Toshimitsu says he would like to see some of JAL's overseas offices institute something comparable to *kuruma-zu* meetings in future, though he concedes there might be problems about sitting on the floor.

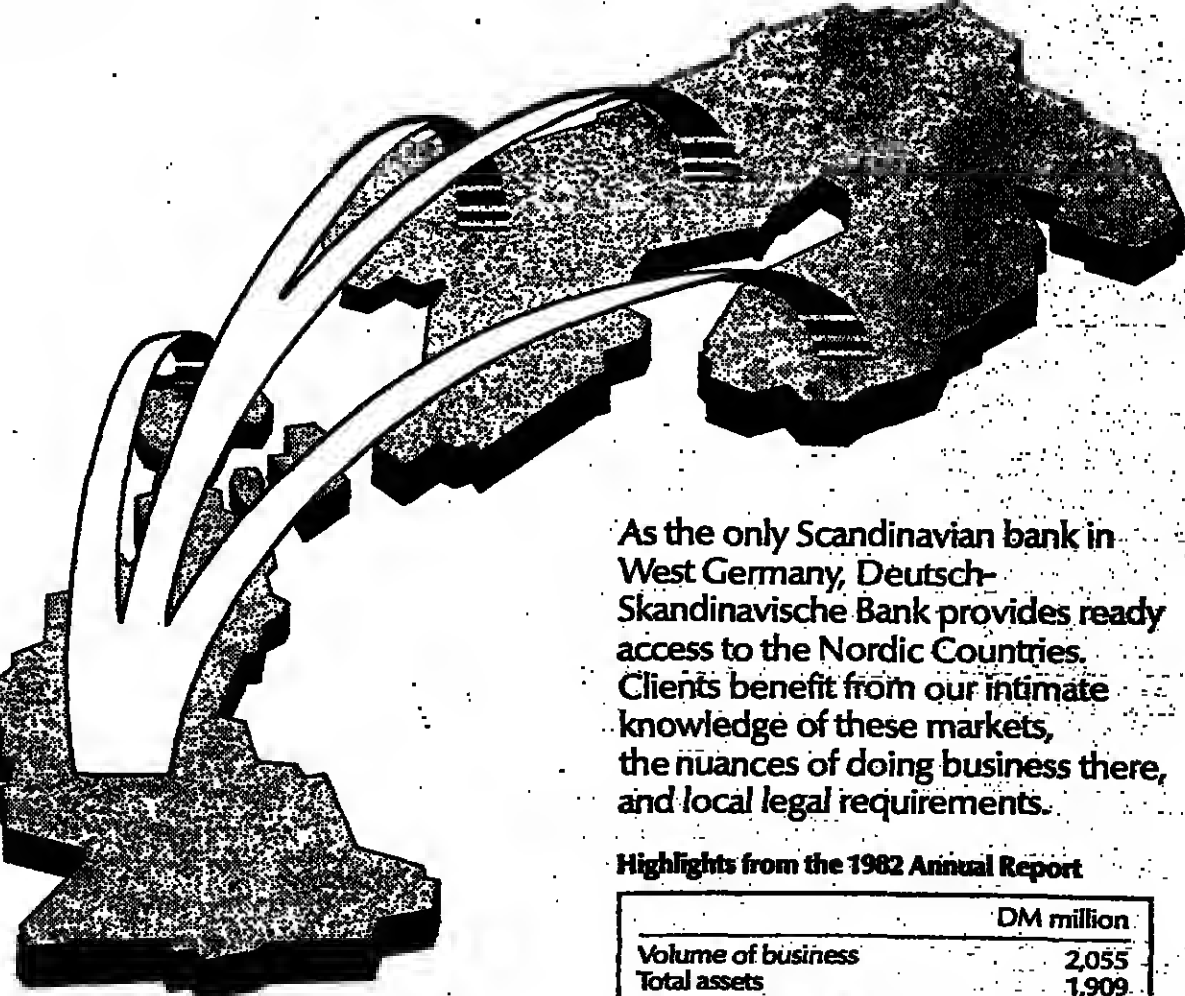
The exact contribution that the *kuruma-zu* meetings have made to JAL's efforts to pull its business together is, naturally, debatable. Toshimitsu points, however, to several encouraging things that have happened since the meetings started. One has been a flow of new ideas on ways to sell more tickets on domestic services.

JAL astonished its passengers on February 14 (St Valentine's Day) by handing out free boxes of chocolates to everyone. Since the end of 1982 the airline has been presenting gifts, ranging from inflatable jumbo jets to ladies' umbrellas, to anyone who can produce three used boarding card stubs from JAL domestic flights.

Another sales gimmick, which Toshimitsu claims has been highly successful, has involved the stationing of special "lobby agents" in the forecourts of Japanese domestic airports whose job is to help passengers with their luggage.

JAL's gift programme has led to a "gift war" with All Nippon Airways, but there seems to be very little doubt that the programme has been getting results. In February JAL's domestic traffic bounced back with a 15.3 per cent increase over 1982 levels, while its domestic load factors exceeded those of All Nippon Airways (on domestic trunk routes) for the first time in four and a half years.

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	DM million
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Due to customers and banks	1,828
Capital and reserves	63

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How many vehicles does your company operate? This month, how much do you expect to spend on vehicle fleet fuel and maintenance? For a typical fleet of one hundred cars and light vans, the probable yearly expenditure on fuel and maintenance currently totals something like £170,000. Even with the most vigilant management procedures, vehicle fleet running costs are notoriously difficult to check and keep under control - which is not hard to understand when you realise that a hundred vehicles can easily generate in excess of 400 fuel receipts a month, plus a proportionate number of expenses claims. MONTHLY EXPENSES COMPARISONS. VEHICLE BY VEHICLE. As a rapidly growing number of companies are discovering, there is a once and for all answer to the problem - Dialcard. The Dialcard method of paying for fuel and garage services combines positive expenses control with exceptional driver convenience. With Dialcard, your entire fleet of cars, vans and HGVs is covered by just one monthly VAT invoice, supplemented by a comprehensive series of management reports which give details of each separate transaction together with up-to-date analyses of fuel consumption, running costs and mileage for each individual vehicle in your fleet. Dialcard provides you with a foolproof, impartial way of comparing the running costs of one vehicle with another. You can readily see if two vehicles of the same specification are recording significantly different pence-per-mile or miles-per-litre figures - and when that happens, things obviously aren't quite as they should be. Can your existing fleet cost control system present you with that kind of management information?

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## UK TRADING PRACTICES

## How small print disclaimers mislead the consumer

By Clive Wolman

THE LIONS of Longleat wild-life park would have been a malicious satisfaction if they could read the words engraved on the metal notice-board by the ticket office at the entrance to the park.

The chimpanzees, who have caused several injuries in recent years, might be tempted to go on another rampage if they could understand the legalese which greets visitors as they drive into the Wiltshire park owned by Lord Bath.

But the notice, which misleads the public by saying it denies them their legal rights if they are attacked by the animals, is one of several dozens around the country to have incurred the wrath of Sir Gordon Borrie, director-general of the Office of Fair Trading.

At issue is the Unfair Contract Terms Act, which Lord Denning, in his last case before retiring as Master of the Rolls last year, said brought about the most important change in civil law in over 100 years.

Parliament passed the Act in 1977 to stop companies using small print on standard forms to shield themselves from any responsibility for the fate of their customers when their products or services were being used.

Longleat, for example, used to have the possibility of avoiding any liability to pay compensation if a lion attacked and broke into a visitor's car, as happened in 1968—or even if it mauled to death those inside.

Even today, 5½ years since the Act was passed, the notice-board at Longleat defiantly claims that the park will not accept any liability whatever for loss of life or personal injury to any person... caused by the negligence, breach of statutory duty or any act or default whatsoever of the company, its servants or agents.

Three weeks ago, Sir Gordon attacked traders who continue to use such clauses after Parliament has declared them null and void. He said: "I can only suppose that such traders are either unaware of the law or else deliberately trying to mislead the public, hoping that many will be deterred from seeking redress by phrases which appear to be a legally-based denial of their rights."

## Insurance broker's advice about park notices

When asked why he was displaying such a notice, Mr Roger Crawley, manager of the Longleat safari park, said that he had been advised to do so by his insurance broker, W. J. Bailey Insurance, of Staines. He added that all the notices had been reviewed since 1977.

Mr. Peter Hobbs, of W. J. Bailey, said: "The notices were amended slightly at Longleat after the Act was passed, but it was early days. It was too early to see what the impact would be of the Act."

Mr. Gordon Vaughan-Davies, of the OFT's legal section, was

dismissive of his argument. "The simple words of section 2 of the Act make it clear what the impact would be," he said. "It says that you cannot exclude liability for personal injury resulting from negligence."

Not that Longleat is the only offender. An investigation by the Office of Fair Trading through its Trading Standards departments around the country showed that car hire firms were the most frequent users of exemption clauses that nullify any liability for damage to their cars or for injury to passengers.

Insurance companies, which normally have to pick up the bill for legal claims against small companies, are often well aware that their clients may be seeking to rely on void clauses but they do not point this out to them.

The General Accident group, one of Longleat's insurance companies, sends its surveyors to the park to advise on the notice boards and safety arrangements. Mr. Hugh Morrison, superintendent of the liabilities department, said: "We tend to keep a low profile on exemption clauses on boards. We recognise that they are not worth the paper they are written on from a legal point of view but they can still act as a deterrent. Someone who sees it may be more careful."

Sir Gordon Borrie has warned that unless traders stop using no-responsibility accepted clauses ruled out by the 1977 Act, he will ask the Secretary of State for Trade to make their use a criminal offence. Such a step was taken in 1978 to deter traders from inserting void clauses in hire-purchase agreements and in contracts for

the sale of goods to members of the public. Last year 38 traders were fined a total of £15,000 for committing the offence.

Mr. Newton said: "It is amazing how quiescent the public is. They are very easily put off from making a claim by this sort of notice—and that is why there is a need for the criminal law in certain cases."

Lord Denning is sceptical: "It is not the proper sphere for the criminal law," he said. "I would look for some other way of persuading traders to behave responsibly."

Sometimes the consumer faces complex legal problems in fighting an exemption clause. While a clause that seeks to disclaim responsibility for death or personal injury never has any legal effect, disclaimers of responsibility for damage to property or other loss are subject to a test of "reasonableness" under the Act.

There was considerable doubt



Lions at Longleat and one of the disclaimer notices on display at the park's ticket office

Hugh Routledge

compensation also for the distress suffered by the photographer, a friend of the married couple.

The other case involved the purchase of a house where the vendor's solicitor failed to mention a dispute over the fences around the property. He sought to rely on an exemption clause which said that no guarantee could be given for the accuracy of his replies.

The judge decided against him. The wedding photographer was represented in his court case by Mr. David Trench, legal adviser of the Consumers' Association, which was responsible for sponsoring the 1977 Bill and pushing it through Parliament.

"The Act meant a transformation in our legal structure," he said. "But after three years it did not appear to be having enough effect, so we thought it was time to stir things up a bit."

He has been pressing the Government to bring the criminal law into play to back up the provisions of the Act and complaints that even large companies, including nationalised ones such as British Rail, have been unduly slow in updating their conditions in line with the Act. But he said, "in recent months we've seen several signs that the message has started to get through. The Act is certainly our most important contribution to consumer legislation."



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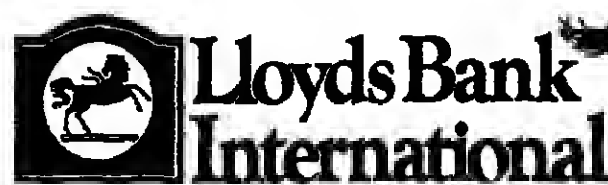
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## APPOINTMENTS

## Senior position at Grand Met Leisure

Mr G. Michael Guthrie has been appointed to the new post of chairman and managing director, GRAND METROPOLITAN LEISURE AND HOLIDAYS. He continues as chairman and managing director of Mecca Leisure and will in addition be responsible for running Grand Metropolitan's holiday activities including Warner's Holiday Centres, Novas and Stardust/Casino Holiday.

Mr Guthrie replaces Mr R. E. S. (Bill) Warner as chairman and managing director of Warner's Holiday Centres, but Mr Warner will continue as a non-executive director of that company as well as of Mecca Holdings.

Following the acquisition by Charter Consolidated of a controlling interest in the company, Mr. Mandy Flannery has resigned as chairman and managing director of ANDERSON STRATHCLYDE. Mr. Geoffrey A. Strathclyde has been appointed to the board of Anderson Strathclyde and elected chairman. Mr. Strathclyde is an executive director of Charter Consolidated and also chairman of Cape Industries.

Mr D. R. Taylor at present an assistant general manager, has been appointed a general manager of HALIFAX BUILDING SOCIETY.

Mr Michael J. Lucas, founder and head of Michael J. Lucas and Co. has joined the board of FARMAR, Cheltenham-based computer service for farmers.

Mr Lewis Wilkinson, formerly the CO-OPERATIVE BANK'S assistant general manager (central services), has been appointed general manager (administration).

Mr Eric Motynowicz has been appointed head of THE INDUS-TRIAL SOCIETY'S commercial

department with overall responsibility for campaigns for effective leadership, communication and productive industrial relations in all commercial organisations.

Mr A. J. Basil Mawdsley, the finance director of International Thomson Organisation, has been appointed to the board of WIGHAM POLAND HOLDINGS. He replaces Mr Ian Chubb, who left International Thomson to take a senior position with Woodside Petroleum in Australia.

Mr Nigel Burton has joined HAMRO LIFE ASSURANCE as head of international operations.

Mr Arnold Hewitt has been appointed to the main board of EUROFI (UK) with responsibility for co-ordinating funding for high technology projects. He previously directed the European and marketing division of ICL and has been an associate director of EUROFI (UK) since 1981.

TOUCHE ROSS & CO has admitted the following partners: Mr Nicholas J. Beahm (Birmingham), Mr Paul T. Fowler (Leicester), Mr John N. Christie (London), Mr Stuart R. Connell (Newcastle), Mr Ian P. Hamilton (London), Mr Richard M. Norton (London), Mr A. G. (Gerry) Bailey (London), Mr Andrew S. Peters (Birmingham), Mr Ralph S. Prosser (Birmingham), Mr John P. Richards (London), Mr E. Nicholas Simons (executive office), Mr Eric G. Townsend (London), Mr Henry W. Warren (Plymouth), Mr A. R. West becomes a partner with Touche Ross and Co Management Consultants.

Mr Colin Kidd has been appointed vice-president and general manager, Europe, for SENIOR GRAPHICS, a UK subsidiary of Senior Graphics Corp, Portland, Oregon. He joins from Interall Data, where he was vice-president international, and will be based in England.

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## INTERNATIONAL TEXTILE TRADE

## Hong Kong takes a buffeting

By Anthony Moreton, recently in Hong Kong

HONG KONG'S vital textile industry is being seriously buffeted by the twin forces of international recession and changes in world trading patterns.

Production of both cotton yarn and cotton piece goods has been falling steadily in recent years because of four main factors.

Firstly, the Hong Kong industry has "moved up market," being replaced as a producer of low cost goods by countries such as South Korea, Taiwan, Indonesia and, in particular, China. Secondly, the recession has cut world trade generally.

Thirdly, European buyers have begun to see attractions in cheap suppliers nearer home, such as Portugal, where goods can be ordered and delivered in days rather than weeks. The attractions of visiting and buying from Hong Kong have diminished as company budgets have tightened.

Concerns like British Home Stores and Tera shirts in Britain, for instance, have been questioning whether it is sensible in a highly fashion-conscious business to put quite such emphasis on buying from a market 8,000 miles away with its long lead times—four weeks to ship goods by sea to Europe—when they can get supplies nearer home—dearer perhaps but responding more quickly to fashion changes.

Fourthly, the problem for Hong Kong has been exacerbated as the Multi-Fibre Arrangement, the world agreement which covers most trade in textiles and garments, offers the colony almost no growth in sales to affluent Western markets over the next four years.

When the first MFA was signed in 1974 Hong Kong was guaranteed an extra 6 per cent a year in exports to the West. Four years later, when the agreement was renegotiated, Hong Kong had been cut back to a little over 1 per cent growth. This year, with the third MFA, Hong Kong has been given "zero growth"—a little more in some areas matched by a little less in others.

Miss Lydia Dunn, the newly-appointed chairman of the powerful Trade Development Council, is particularly upset about the MFA. "The restric-

## HONG KONG TEXTILE PRODUCTION

	1976	1977	1980	1981	1982	1977-82
Cotton yarn (m kgs)	186	140	124	129	126	35
Cotton piece goods (m mtrs)	222	476	461	616	515	48

tions placed on us by the EEC were for political rather than economic reasons," she says. "We are particularly apprehensive and want to see a more liberal arrangement in future. This is an open economy. We take everyone's goods without any tariff barriers and don't see why in Britain and Europe should not be more liberal. We would prefer total trade liberalisation."

The council will be deeply involved in any extension to the MFA when it is renegotiated in 1985 or 1986. According to Miss Dunn, "one of the primary myths, that Hong Kong is a low-cost producer and responsible for job losses in Lancashire, is simply not true."

"In many cases America is cheaper as a production centre than Hong Kong. In fact, parts of Britain are, too."

Mr Stephen Cheung, managing director of Lee Wah Weaving Factory in Kowloon, adds: "We have developed our own local talents. We have our own designers such as Eddie Lau, Hannah Pang, Jennie Lewis and Diane Fries. They can all be seen in places like Harrods in London and Saks in New York."

As the colony has been replaced as a low-cost producer, so output has fallen. Since 1970, when production of primary textiles such as unbleached cloth peaked in the colony, the number of girdles in use has fallen from around 1m to half that figure.

There was a time, before 1970, when the name Hong Kong was almost synonymous with cheap and rather nasty shirts, shoes, socks and sandals. What-

ever the truth of the allegations then, they are no longer valid. The danger now is that Hong Kong could be priced out of its main export markets in the U.S., Germany and Britain by its competitors on its doorstep and those in southern Europe.

Despite these pressures, though, textiles and garments should continue to play a dominant part in the economy. "It is not easy for us to diversify out of textiles," says Mr Jimmy McGregor, director of the influential Chamber of Commerce.

"The two sectors account for a third of domestic production and over 40 per cent of exports of manufactured goods. They employ almost half the work-force in manufacturing industry and textile exports are more than twice those of electronics, the next most important group."

Textiles and clothing must remain our core industry for at least the next 10 to 15 years, even if we are moving up-market."

Hong Kong can still produce clothes relatively cheaply because its productivity is high, labour is hard-working and adaptable, and employers are willing to invest in new machinery, helped by a favourable taxation system: there are virtually no corporate taxes and only 270,000 of the colony's 5.2m people pay salaries tax.

Employers are helped by the virtual absence of any social charges. They have to meet few overheads, such as the provision of canteen facilities, and no national insurance charges. There are no pensions, each worker having to provide for himself or herself, apart from a very good hospital ser-

vice, no subsidised or free health service.

Companies also benefit from the ability to use outworkers. One such is 12m Irene Chi who lives on the top of a 37-storey block of flats in Tuen Mun, a new town in the New Territories. Her flat comprises one room, kitchen and bathroom for herself, husband and two children. For this she pays \$21 a month. In a partitioned-off part of the room, which is both bedroom and living-room, is a sewing machine. She sews back pockets onto jeans and, getting perhaps \$3 to \$5 a pocket, she might make \$2 or so a day.

Many manufacturers are concerned when asked if they use outworkers, but not Mr David Wong, manager of Lit Hap Shoes. "We use a lot of them, perhaps as many as 50. They get 10¢ a pair for stitching and perhaps 20¢ to 25¢ a pair, which gives them between \$2 and \$2.50."

The outworkers are a reminder of the "sweatshop" image which once characterised the Hong Kong industry. Although very poor factory conditions can still be found, they are no longer particularly representative of the industry as a whole.

At the Tai Nam Shoes Manufacturing, in Fa Yuen St, Kowloon, a hundred employees produce shoes in what Western eyes are very poor conditions. The workers share a space that would be occupied by 20 people at most in Britain.

They sit cheek-by-jowl with their raw materials, some of them noxious, and have no social facilities. To get into the factory, on the fifth floor of an industrial block, you have to climb over a machinist from another company who is turning out jeans on the landing.

Mr Ho Lit Yen, the managing director, says the factory produces 600,000 pairs a year, many of them destined for Britain. He gets HK\$15 a pair (\$1.80) for his stylish-looking PVC shoes—copied from a shop window in London's Oxford Street—and knows of a man who produces ladies' slippers at HK\$ 5.98 (\$0.75) a pair. "There is no way we could compete with that," he says indignantly. "The material alone cost HK\$10. They are squeezing us."

The modern, and more rep-



LYDIA DUNN  
Fighting trade barriers

representative face of Hong Kong is not Tai Nam Shoes but Fang Brothers, with up-to-date machinery in conditions equal to anything in the West.

Mr Kenneth Fang, executive director of Fang Brothers Knitting in Kwai Chung, part of the New Territories, introduced me to one girl who earns \$500 a month, comparable to, if not better than, many European rates.

"The pay here averages \$200 to \$300 a month, but we have some girls who get well above this. They work on highly specialised machinery and have to be extremely dexterous to get top rates."

Wages have been rising to levels that surprise many Europeans. Mr S. K. Chan, chairman of Yangtze Garment Manufacturing Company on Kowloon's Tai Yau St, and the garment manufacturers' president, says his workers get around HK\$ 2,600 (about \$260) a month for an eight-hour, six-day week, an average payment in the industry. Six-day working is common throughout Hong Kong for blue-collar staff, with 5½ days the norm for office workers.

The rise in wages is one indicator that is being watched very carefully, and with some concern within the industry. The other is the state of the American economy. For despite its political ties with Britain, Hong Kong's main market is the U.S., to which some 37 per cent of exports are sent.

## CONTRACTS

## £9m filters order for Delfilt

DELPHILT, Bath-based liquids/solids separation specialists, has received a contract, worth about \$8m, from Zambia Consolidated Copper Mines for the supply of 200 sq metres of DELPHILT filters for the tailings leach plant, stage 3 project at the Chingola division metallurgical processing complex. Six of the filters are to be used to partially dewater 1.5m tonnes/month of tailings to leaching with dilute sulphuric acid. The leached copper ore is fed to the other 194 sq metres of DELPHILT filter. The contract covers the supply of transmission poles, insulators and switchgear.

Export orders for the Middle East totalling \$2.5m, which will create 30 additional jobs at the end of this month, have been won by FAREKAT who make power distribution equipment at Mansfield and Sutton in Ashfield, Nottingham. The contracts cover the supply of transmission poles, insulators and switchgear.

AECI has awarded a \$15m contract to BARNESLEY ENGINEERING CONTRACTORS for the construction of a fluidised bed boiler. The boiler will be designed to burn carbon rich fly ash from AECI's coal based ammonia plant at Mordredstown and will supply about 50 tonnes of steam per hour for downstream nitrogen plants at the factory complex. The boiler will be among the largest fluidised bed boilers of its type in the world and is claimed to be the first to burn a waste byproduct of this kind. It will also be able to switch from flyash to coal should the ammonia plant be interrupted.

Work begins in the next few weeks on a \$2m Leisure Centre in Redhill only months after the idea was first considered by Reigate and Banstead councillors. The contract has been awarded to steel frame building manufacturer CONIER SOUTHERN, Winchester. The company's plan for a building form which reflected the main

the Home Counties including a complex refurbishment worth \$2.5m which has been secured at 7-35 Cavendish Lane, London E23, for the Bank of Credit and Commerce International. Work involves the remodelling of an eight-storey city building, both internally and externally, and provides for a new mansard roof to the house plant rooms. The project is to be completed in only 49 weeks.

In Kilgus, a new swimming pool, designed by associate company, Techno Sunley Leisure, is situated at the foot of Highbury Fields. It replaces a traditional open swimming pool built shortly after the First World War. Completion is due in February 1984. The University College at Buckingham is to receive a new self-contained two-storey residential block for 42 students and is so designed and constructed that the building can be simply divided into five individual units. Work has also started on a \$1.2m apprentice jockey training school at Newmarket, which will provide facilities for instructors and apprentices including accommodation, an indoor riding school and an all weather gallop. Work is scheduled to finish in September 1983.

The housing modernisation department of MILLARD CONTRACTORS, Tipton, has obtained three contracts valued at over £1.7m. The largest, for Birmingham City Council, requires comprehensive repairs and redecoration to over 400 inter-war houses in the Witton/Erdington area of the city worth over £1m. Lichfield District Council has awarded two contracts, fifty council houses at St Michael's Road will receive new kitchens, bathrooms, central heating windows, plus redecoration and rewiring throughout under a £31,000 contract. Under a \$243,000 contract, 40 Duplex Flats at Partridge Court, Lichfield, will also be modernised, together with kitchen extensions.

Work begins in the next few weeks on a \$2m Leisure Centre in Redhill only months after the idea was first considered by Reigate and Banstead councillors. The contract has been awarded to steel frame building manufacturer CONIER SOUTHERN, Winchester. The company's plan for a building form which reflected the main

uses—swimming pool, general sports hall, squash courts and projectile hall with a central core of related auxiliary uses on two and three levels, was chosen in preference to two other designs. The leisure centre will be completed in September 1984.

A refurbishment project is being carried out by RUSH & TOMPKINS at St Augustine's Parade, Bristol. A scheme has been designed which will eventually provide \$3,000 sq ft of shop and offices. The first phase of the development by Rush & Tompkins Property Holdings has been agreed at £1.4m and will provide 25,000 sq ft of shops and offices. It consists of alterations and refurbishment to six properties, all Listed buildings, and rebuilding three others which have had to be demolished because of their poor condition.

## £6m boats for Kuwait Navy

CHEVERTON WORKBOATS, Cowes, has won orders approaching \$6m to design and build 12 support vessels for the Kuwait Navy. Cheverton will supply four 30 metre Landing Craft, two 21 metre twin screw freighting harbour tugs, and six 8.2 metre general service launches, four with single-screw and two with twin-screw propulsion. The craft will be based at the new naval base on the Arabian Gulf, built specifically for the embryo Kuwait Navy. They will operate in support of naval operations and of a fleet of patrol vessels now being built in Germany.

SEACON CONTROLS, a BTR Company, has won a contract, worth over £1.3m, for a SCADA (Supervisory Control And Data Acquisition) system to supervise Shell Expro pipelines running from the St Georges gas processing plant. The pipeline engineering contractors are Bechtel Great Britain. The main pipeline will transport natural gas liquids 220 km to a fractionation plant at Mossman. Two shorter lines will carry gas to Peterhead power station and condensate to Cruden Bay. The SCADA system will provide overall control, integrity surveillance and product metering of the three pipelines from central control computers at St Georges.

An order for two 20-tonne portal cranes worth about £200,000 for the National Coal Board's Selby coalfield has been won by the WILD BARNESLEY ENGINEERING GROUP, Birmingham. The two cranes, each of 190 ft span with two 40 ft cantilevers and lifts of 20 ft will be used for handling mining equipment on the Whitmore and North Selby sites.

## Davy McKee to build £10m sugar plant

DAVY MCKEE (LONDON) has been awarded a \$10m contract by Tate and Lyle Refineries for the design, supply and construction of a sugar treatment and de-colourising facility at Thames Refinery, Silvertown, London. The facility designed to process up to 1m tonnes per annum is

thought to be the largest of its kind in the world to incorporate ion exchange resins to purify and de-colourise the raw sugar. The resin de-colourising section for this process renewal project will be designed and supplied by Davy Bamaq. Completion is planned for the end of 1984.

## Electricity for industry. The vital facts every works director needs to know.

In tough economic times, it's important to make optimum use of all resources: plant, materials, labour—and energy.

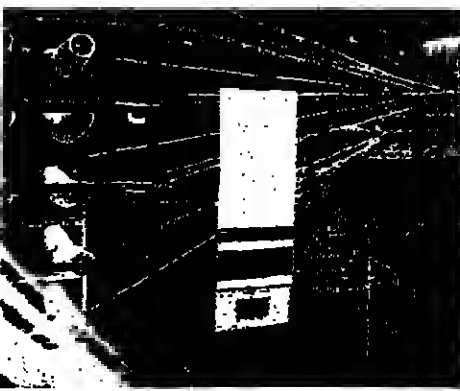
That's where electricity is ready to help by offering a wide variety of cost-effective equipment and techniques for both factory services and production processes.

Just take a look at the many ways electricity can help reduce the cost of factory services, for example.

## Electricity. Reduced costs.

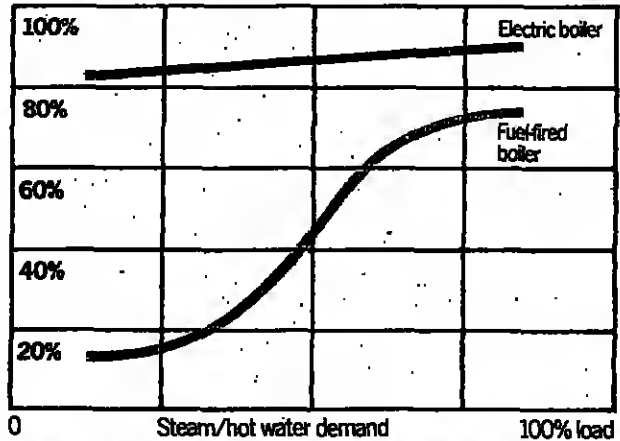
As the figures show, many companies have found that battery electric trucks are cheaper to run than diesel or LPG. For space and water heating too, there is a wide variety of systems available, that are inexpensive to buy and to run. They are easy to install, simple to control and can often operate on low cost night-rate electricity.

Electric steam boilers sited at the point of use can reduce steam costs by allowing the main boiler to be closed down at times of low demand. See how the efficiency of an electric boiler stays high whatever the demand.



Left: Electricaire heating by Unidare paid for itself in just three years at A.E. Asphall Ltd. and improved the working environment.  
Right: Henry Watson Potteries Ltd. has reduced energy costs and cut drying times with the installation of an electric heat pump supplied by Westair Ltd.

## Efficiency of steam and hot water systems over the load range.



## Electricity. Better energy management.

Electrical equipment gives highly efficient energy conversion at the point of use. Operating alone or in tandem with fuel-fired systems, it can often give better overall efficiency and lower operating costs. Electric heat pumps are recycling heat that would otherwise be lost to the atmosphere. One pottery company has cut its energy costs by 45 per cent, and a manufacturer of head-wear has cut drying costs by up to 75 per cent.

If you use large amounts of steam for process heating it may be worthwhile considering combined heat and power (CHP) generation.

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1/834



## FINANCIAL TIMES SURVEY

Friday April 22, 1983

## Scottish Financial Services

Edinburgh as a financial centre ranks strongly but its fund managers fear the effect of City raids on their institutions

BY BARRY RILEY, Financial Editor

THE FINANCIAL TIMES Conference on venture capital in Europe, which opened in Edinburgh yesterday, drew a large number of delegates. The location of the conference in Scotland's capital city reflects the high status that Edinburgh enjoys as a financial centre.

Financial services is one of the traditional strengths of the Scots and with the decline of other traditional industries, the importance of the financial sector—which directly provides some 80,000 jobs—is of major importance to the country.

## Nationalism

These are times, however, of some anxiety for Scotland's financial community. Over the years the Scots have seen the City of London gobble up the business which was once enjoyed by regional English financial centres in places like Manchester and Liverpool. They are determined that Edinburgh will not go the same way.

At the moment, however, Scotland is seeing a strong attack upon several of its venerable investment trusts by financial institutions from south of the border. There are very real fears that the trusts could be picked off one by one, and control of a large proportion of the assets of £30m or more which they manage then shifted to London.

It was only little more than a year ago that a Monopolies Commission decision prevented the takeover of the Royal Bank of Scotland Group, either by Hongkong and Shanghai Banking Corporation or by the London-based Standard Chartered.

That attack started off a wave of economic nationalism in Scotland, based not merely on emotion but also on the awareness that the removal of key decision-making functions from Edinburgh would have a serious psychological impact.

The stage would be set for the completion of the transformation of Scotland into a branch economy, vulnerable to the different priorities of decision-makers elsewhere.

The recent controversial attack of Anderson Strathclyde, taken over by Charter Consolidated after a Minister had overruled a Monopolies Commission veto, was a keen reminder of the kind of threat that is aimed at the financial sector.

The Royal Bank, however, has picked itself up from the floor after the failure of its merger strategy, and is now concentrating its efforts upon building up its Scottish role. It is seeking much higher visibility for its industrial finance activities, for instance, which it is assembling together under the umbrella of a subsidiary, Scottish Commercial and City.

The Bank of Scotland also insists that it has an important independent role, even though technically it is an associate of Barclays, which has a stake of 33 per cent. Its decision several years ago to launch its merchant banking operations under the auspices of its British Latin subsidiary has paid off.

Outside the banking sector the insurance companies form a key element of Scotland's financial services industry. Scotland has some major general insurance companies, in the shape of



George Street, Edinburgh, home of many of Scotland's financial institutions

General Accident, based in Perth. To the general public, however, it is the big Scottish life assurance office in Edinburgh and Glasgow which more than anything else represents the financial muscle of Scotland.

The sums involved are extremely large. The biggest of all the Scottish life offices, Standard Life, has reported total group assets of £1,600m as at its balance sheet date last November, not counting £400m of investments managed separately mainly for pension fund clients.

Scottish Widows and Scottish Amicable also manage assets running into billions. Such life offices epitomise the high quality of the Scottish financial sector, and they ensure that Edinburgh and Glasgow will retain a long-term financial role of a kind.

They are relatively few in number, however, and being conservatively managed institutions they will not by themselves be able to supply the variety and degree of innovation which are required to keep the Scottish financial services industry in the front rank in Europe. For that, much will depend on the inde-

pendent fund management business.

Innovation can certainly be found in the fund management business. There is something of a wave of start-ups by ambitious young investment managers, splitting away in twos and threes from the established houses in order to pursue an independent course.

They are concentrating on small, specialised investment trusts and private investor products of one sort or another, though all would eventually like to get into the real growth market—the pension fund management business.

In the short term, such small-scale start-ups could not compensate for the loss of some of the large, established investment trusts which form the backbone of the Scottish fund management industry.

Designed originally for private investors, these trusts have seen pension funds and insurance companies becoming more and more dominant on their shareholders lists. The trusts' share prices have slipped

to well below the value of their underlying assets—with discounts often of 30 per cent or more.

So the trusts are less and less able to pursue their own chosen long-term investment strategies, with their traditional proud independence. Instead they have to fit in with the objectives of their large, powerful shareholders, and they live in perpetual fear that operators with an eye to a quick short-term profit will force trusts to convert themselves into encashable units, or that bidders will see them as a source of liquidity.

Many Scottish trusts feel more vulnerable than their English counterparts. Rightly or wrongly, there is a feeling that the powerful English merchant banks will pick off the independent Scottish trusts, rather than upset their City of London neighbours by bidding for English trusts (which are often grouped within merchant bank stables).

Edinburgh investment trust managers talk apprehensively of a domino effect as their trusts are mopped up, and the

money transferred elsewhere. The effect on Edinburgh as a financial centre could be serious.

At the moment the Scottish capital is still very much on the European financial map, and is regularly visited by American and Japanese brokers and new lease promoters. But already Glasgow is feeling as a separate centre (which the proposed transfer of Scottish United Investors to Edinburgh will not help) and there is a fear that without a strong investment trust presence, few international visitors would bother to go to Edinburgh as well as London.

In that case, the remaining Scottish fund managers would feel the need to make ever more frequent trips to London.

It is suggested in Charlotte Square that this would have an important impact on the quality of decision-making in Edinburgh and elsewhere in Scotland, and would reduce the pool of financial expertise available to cross-fertilise other areas of the financial services industry. There would be fewer non-

executive directors, for example, ready to sit on the boards of small industrial and commercial companies.

In one sense, however, the pendulum is swinging in Edinburgh's favour. Rapid advances in communications technology are reducing the costs and disadvantages of a smaller financial centre.

Today, Stock Exchange "Topic" screens and Reuters Monitors are to be found in many Scottish financial offices, giving as ready an access to the latest information as can be enjoyed by anybody in the heart of the City of London. Worldwide telephone and telex links have become much cheaper and more efficient.

Of course Edinburgh has important natural advantages, notably in its lower office costs and attractive working conditions. It can be argued, too, that a slightly detached location is an asset when it comes to making judgments on an international basis—which has always been Scotland's strong point.

The very origin of the investment trusts a century ago arose, after all, out of the scope for channelling surplus Scottish capital to exploit more profitable opportunities overseas, mainly in North America. That American orientation remains to this day, and has helped the Scottish trusts to benefit from the strength of Wall Street over the past year or so.

## Orientation

This international orientation, however, combines rather uneasily with the more narrowly nationalistic attitudes now evident amongst some of Scotland's bankers and investment managers.

The financial services industry provides valuable employment in Scotland, but its intersection with the rest of the Scottish economy may be limited. It is very much of an export industry, and has comparatively little interest in investing close to home.

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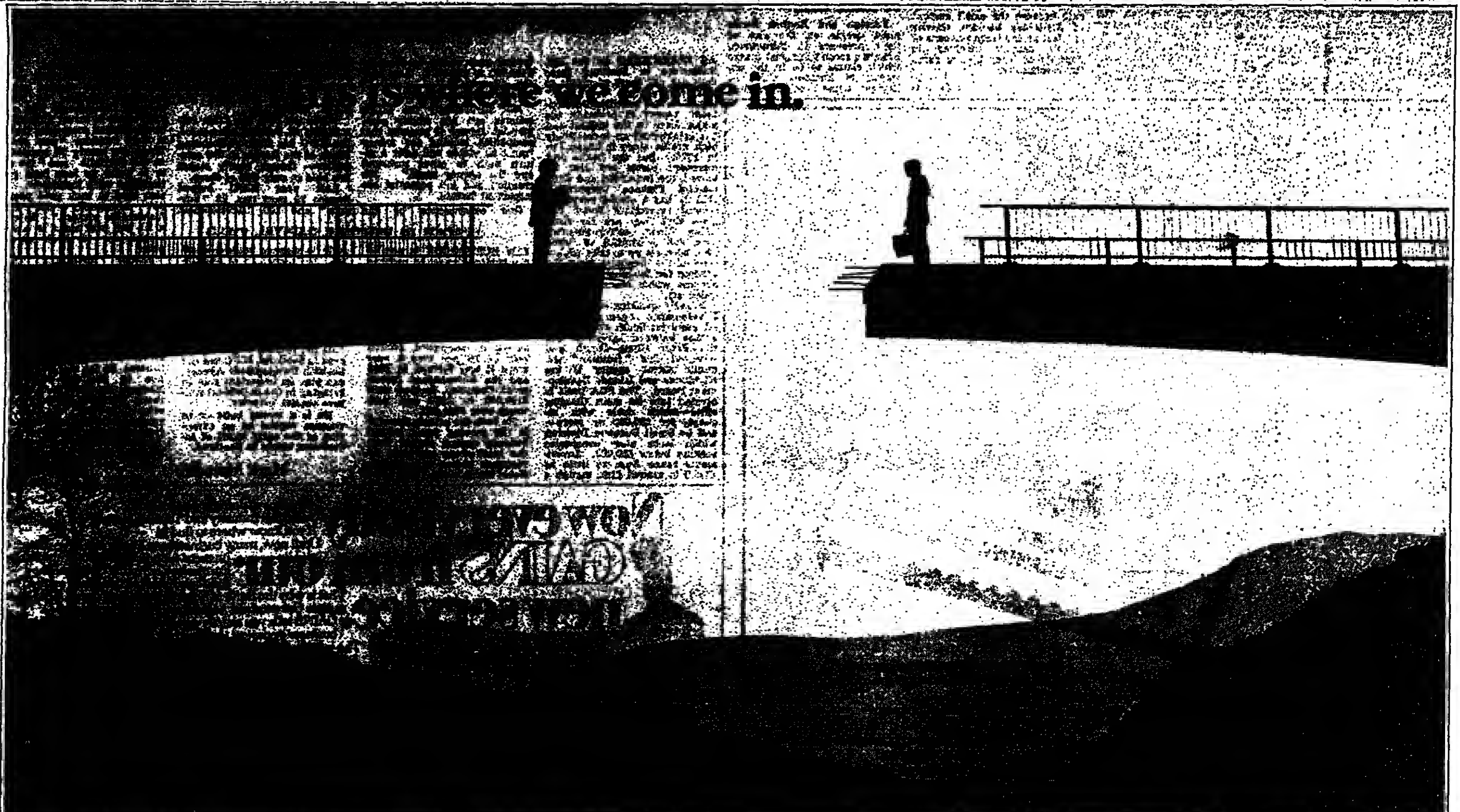
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Indeed, it would hardly benefit organisations like the big Scottish life offices if they became known for investing disproportionately in Scotland. This would not encourage their predominantly English clients. Much the same applies to the investment trusts.

A good deal of the investment in the newer sectors of Scottish industry is in fact coming from UK national rather than Scottish sources. ICFC being the obvious case in point. ICFC has an active Scottish operation, and has invested about £40m in nearly 600 businesses north of the border.

The public sector body, the Scottish Development Agency, has a portfolio about half as large as this, but its overall influence is considerable, because it has a policy of attracting substantial private sector capital, over and above its own investment, into the projects which it sponsors.

By and large, however, Scotland's financial community has remained relatively aloof. The country has a useful number of new, high technology companies, and there has certainly been heavy investment in offshore oil and gas development and associated onshore energy-related activities. Although the Scottish financial services industry has had to come to terms with economic nationalism, however, it has certainly not abandoned its international perspective.



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We know that the success or failure of a venture is heavily dependent upon the individuals involved and mainly we back people.

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We would like to be made aware of further

opportunities to assist the business community in Scotland.

Are you a budding entrepreneur with a good idea? Do you need development finance to support expansion proposals? Are you a major company seeking to resolve a problem with a subsidiary?

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## SCOTTISH FINANCIAL SERVICES II

How the home-based banks have been coping with the pressure to widen their basic services

Clydesdale  
copes with  
recession

SCOTLAND IS very conscious of maintaining its home-based companies. The fears of a loss of decision-makers was shown in the recent public debate over the takeover of Anderson Strathclyde, the Scottish mining equipment company, by Charter Consolidated.

The Clydesdale Bank seems to be one of the notable exceptions. Some 30 years as a subsidiary of the Midland Bank has given the bank time to become part of the Scottish community in its own right.

From its Glasgow base, the Clydesdale has this past year had to see much of its business in the west of Scotland pass through the eye of the recession—a factor which has partly led to a "substantial increase" in bad debt provisions and a decline in profits of over 26 per cent for the year to December.

While using its tie with the Midland for much of its international banking activity, the Clydesdale has maintained an independent profile in a wide range of activity with its own London foreign exchange dealing and increased activity by the international division.

The Small Export Scheme for small firms wishing to start or expand their exports has also proved a success by cutting through red tape.

Like the other two Scottish clearing banks, Royal Bank of Scotland and the Bank of Scotland, however, the pressures seem to come up with innovations in electronic banking.

A point of sale experiment has for example been carried out successfully with British Petroleum. Two petrol stations in Aberdeen installed facilities to allow customers to pay for their petrol with their Auto-bank card which is normally used for cash dispensers. The terminals at the petrol stations automatically debit the accounts of the customer.

These machines have also been adapted to take Access cards. Clydesdale Bank is expected shortly to announce an expansion of the service in co-operation with BP.

The bank also expanded its cash dispenser use to accept withdrawals on customers' deposit accounts. The only restriction on the system called Auto-cash is that customers may not overdraw their account.

The Clydesdale also has the Prestel system of British Telecom.

Mark Meredith



Bruce Patullo, chief executive of the Bank of Scotland: not the year to buy an American bank

Bank of Scotland  
scans horizons

THE UNCERTAINTY in the international money markets and pressure on U.S. banks have confirmed the belief of Mr Bruce Patullo, Bank of Scotland chief executive, that this was not the year to go out and buy an American bank.

Like his two Scottish clearing bank competitors, the Royal Bank of Scotland and the Clydesdale Bank, the Bank of Scotland has been under some pressure to widen its base. Retail banking in Scotland is somewhere near saturation point and the Bank of Scotland had already shown it wanted to take a more active role in international finance.

Yet the limited size of the Scottish banks' exposure in the international money markets has saved them from some of the heavy losses suffered by the larger English clearing banks. Not having a large overseas network of branches facing bad debt from the local private sector has, for once, been an advantage.

## An experiment

The Bank of Scotland from its imposing headquarters on the Mound overlooking Edinburgh turned instead to the home market and produced a first in UK banking with an experiment in home banking in co-operation with the Nottingham Building Society and British Telecom.

Under the plan, customers, through British Telecom's Prestel system which links a home television through the telephone to a central computer, can call up their chequing account on a screen. By tapping out codes on the keyboard used with Prestel to bring up the various pages of data on the screen, customers will be able

to transfer funds between accounts, order goods from stores, book holidays and pay some types of bills such as rates. The experiment is due to come on stream this year.

The system will not only be a first in banking, it is also a good testbed for electronic banking through the vast Prestel system.

Operating what amounts to a controlled experiment outside the Bank of Scotland's home base will be a useful guide for when the bank opens further offices south of the border (it has branches in London, Birmingham and Bristol so far).

Confining the experiment to a local area has added safeguards if the market response is not what the bank, the building society and British Telecom hope.

Electronic banking is still one of the key areas of competition among the three banks in Scotland. The Royal Bank of Scotland and the Bank of Scotland have joined the three other UK banks planning reciprocity between some of their automatic cash dispensers.

But the electronic competition has prevented much co-operation in banking in some of the far-flung rural areas of Scotland where three cash dispensers at £10,000 each would be unnecessary but one would help reduce the capital costs of all three banks. Talks between the banks on the subject in the past came to nothing.

While banking in some of the remote areas may be costly to the banks, others prove profitable because the small amount of day-to-day banking activity is offset by the large amounts of money usually involved in deposits or loans by the farming community.

M. M.

THE ARRIVAL in Edinburgh at the beginning of the year of Robert Smith, headhunted from Industrial and Commercial Finance Corporation (ICFC) in London, to become general manager in charge of corporate finance at the Royal Bank of Scotland, was a clear sign of the strength of the wind of change blowing through the Royal Bank Group.

When the bank narrowly escaped the clutches of the Hong Kong and Shanghai Banking Corporation in early 1982, thanks to the veto by the Monopolies Commission, the Royal was forced to rethink its strategy. Its plan to merge with Standard Chartered had also had to be torn up. The Royal Bank was forced to take note of the weight of Scottish opinion which argued that it should be playing a key role in a struggle to prevent Scotland from becoming simply a branch economy.

Corporate finance was an area where the Royal Bank seemed to be lacking. It had no operation comparable to Bank of Scotland's British

Lincoln merchant banking subsidiary, nor to the independent Noble Grossart. Hence the decision to bring in Robert Smith, a 38-year-old Glaswegian accountant, at general manager level.

"I have been staggered at the willingness to think about the future," he says, "to encompass change and to recognise that there are things we ought to be doing. I've been amazed at how rapidly I have been accepted."

He has been appointed managing director of National Commercial and Clydesdale, a Royal Bank subsidiary, which handles specialised business like export finance and big ticket hire purchases.

At the moment it is a licensed deposit taker rather than a fully-fledged bank, but the group will clearly be aiming to persuade the Bank of England fairly soon that National Commercial and Clydesdale deserves to be classified as a merchant bank.

Robert Smith sees the build-up of the merchant banking operation as part of the process of raising the

profile of the Royal Bank. "I think they brought me in to get higher visibility and to group all the various corporate finance activities under one heading," he says.

For the moment he is concentrating on assembling his team of people. He accepts that "certain skills are missing at the moment," especially on the advice side for quoted companies, but suggests that the Royal Bank already has considerable expertise in areas like export finance.

He is now looking to expansion. "I've been to open up in England, and London is almost certainly the first stop. I don't think you can afford not to have a shop window in London."

He accepts that it will take time to climb up the league of corporate advisers. "I am not satisfied that we are an absolutely complete merchant bank yet," he says. "But we will be."

Already National Commercial and Clydesdale is capable of giving a complete service "in a very small way." But Mr

Smith will not be satisfied for another two or three years that the operation is really providing a comprehensive service in all areas.

"It's a little bit unbalanced at the moment," he says. "We are too light in sponsoring issues and giving advice. It takes time to build up credibility. We don't compete with Warburtons yet—but we will do, I hope, one day."

After his three years at ICFC, Robert Smith himself has a special expertise on the corporate advice side, especially in relation to small companies. He aims to bring such skills to bear on the problems of Scottish companies—but hopes to steer clear of Scottish nationalist tensions.

"I don't expect unreasonable pressure to come on me to back projects which I don't consider are viable. I do not want to become a poodle of the main bank. But one of the attractions of the job is that there is a huge corporate portfolio full of problems and full of opportunities that we can do something about."

He adds: "I also expect to have to develop a fair bit of

business of my own. And a lot of that, I am obliged to say, will be south of the border."



Robert Smith, brought in to head corporate finance: a clear sign of the wind of change

business of my own. And a lot of that, I am obliged to say, will be south of the border."

Barry Riley  
Financial Editor

English and foreign banks are facing keener competition, says Mark Meredith

## Tougher life in the world of corporate finance

LIFE IS not so easy for the community of foreign and English banks with offices in Scotland. The days are largely over when they were able to take advantage of corporate banking shortcomings within the Scottish banks.

These outside banks still trade heavily on their vast overseas reserves of funds, experience, information systems and expertise but the growth of corporate and international banking activities by the three Scottish clearing banks and their merchant banking facilities has increased competition within the business market.

Membership in International Bankers in Scotland, the club of outside banks, now numbers 35, although this includes the international trading wings of the Scottish banks.

Foreign and English banks must decide the size of their presence in Edinburgh, Britain's second financial centre which claims to be in the top league of business cities in Europe. Some have just a shop

window in Scotland, a representative to filter inquiries and contacts back to headquarters or larger branches in London. Others offer a full range of banking services and carry a large staff.

One point the international banking community has in common is an interest in larger corporate business. "We don't really expect to have much to do with companies with profits of less than £250,000," one merchant banker comments. Scotland's larger companies use the international range of services of these banks to supplement the use of the Scottish banks for domestic finance.

One important function of these banks is acting as banker to the nearly 30 investment

trust houses in Edinburgh and Glasgow. Many of the funds under management in Edinburgh's Charlotte Square Trust House are invested in stocks in the United States. Most of the trust funds will have a British and a foreign bank. They use the latter to transfer funds for the purchase of stock abroad.

Sophisticated financial information services also form a growing part of the banking activity. Citicorp's Astor news retrieval system is a vital part of the bank's client services producing constantly updated information on accounts and investments in the United States. Another function of the foreign banks is taking deposits from Scotland's life insurance companies. The life companies usually spread their deposits

around several banks, both domestic and foreign. Bank of America and Citibank have dealing rooms in Edinburgh to place many of these funds in different currencies.

Scotland's electronics industry is dominated by big multi-national companies, many of which will use the Scottish branch of an American bank to handle financial operations in Scotland.

The prospects for devolution in an oil boom economy in Scotland brought many of the outside banks to Edinburgh and Glasgow in the late sixties. Most have stayed on despite the waning of regionalism as an issue and the peaking of North Sea oil exploration.

The central merchant banks including HSBC, Samuel, Morgan

Grenfell, Kleinwort Benson and Singer and Friedlander act as feeders to the City for larger clients looking for a range of sophisticated financial expertise. By their nature, the foreign banks have little direct interest in one of the main thrusts of industrial development in Scotland, the creation of an indigenous electronics industry.

This area of venture capital involving high risk is still largely left to the public sector with development grants and other assistance.

However, Scotland's banking community is a small one and the foreign banks and merchant banks often pass on inquiries and intelligence on new companies to organisations such as ICFC which are more geared towards high risk investment.

## Where entrepreneurs are welcome

AS ELSEWHERE in the UK, businesses in Scotland, these days are not short of places to look for venture or "risk" capital. The Scottish Development Agency is probably the major force in the market and has established an increasingly high profile since it began life in 1978.

But the banks and merchant banks are also involved, the Industrial and Commercial Finance Corporation (ICFC) has a strong presence, several investment trusts can show that they are far from losing their entrepreneurial flair, and a handful of funds have been set up to take advantage of the Business Start Up Scheme (or Business Expansion Scheme which has now superseded it).

Broadly speaking the Scottish Development Agency handles all inquiries South and East of a line between Inverness and the River Clyde—North and West of this "frontier" the public sector agency is the Highlands and Islands Development Board. The SDA itself is divided into its main Glasgow office—which deals with requests for £50,000 or more—and its Small Business Division which looks after companies seeking below £50,000. Investments range from as little as £1,000 to around £1m, though a

typical case would involve say £100,000 to £200,000. Last year the Glasgow office made 38 investments totalling £7m.

Not surprisingly the SDA's criteria are not wholly commercial, though it stressed that companies looking for money "must be viable and offer a return both to other investors and the agency itself." Job creation and job potential are important factors.

One consequence of the

greater private sector interest in venture capital has been an increase in joint or syndicated deals between the SDA and other institutions.

While the SDA has £26m outstanding in Scottish companies, the ICFC has £50m outstanding North of the Border in 500 companies—though equity stakes are held in only 300 of these. Last year ICFC helped finance 70 start ups, 23 "buy-outs" and 100 "development

situations" in Scotland. Another of the more established venture capital operators in Scotland is Noble Grossart Investments. The company tends to invest £100,000 or in established companies though it does consider "new risks." There are nearly 20 companies in the portfolio and "the aim is to build up long term relationships with businesses. We also tend to back good people, not necessarily the most fashionable sectors." He cites a 2.5 per cent stake in a steel stockholder to back up the point.

Among investment trusts which get involved in venture capital are First Charlotte and Independent in the Ivory and Sime stable, Scottish American (run by Stewart Fund Managers) and Murray Technology.

Of increasing interest, meanwhile, are the funds set up under the Business Start Up Scheme. So far there have been five in Scotland—two from the SDA, one from the Northern Venture Capital Syndicates I and II, which jointly amount to more than £1m, one from the British Linen Bank (the £355,000 Creative Capital Fund) and two Kyle funds.

Mark Meredith

Tim Dickson

Some of Scotland's  
most famous exports  
have ended up as  
imports

Born into a family of elocutionists Alexander Graham Bell, without doubt, should be remembered more for his tireless efforts in bringing speech to the deaf.

If it had not been for this genuine endeavour he most certainly would not have invented the telephone.

Unfortunately, he had emigrated to America by that time.

Scotland has always reared giants in innovation and is regarded as the mother of invention.

Today foresight needs finance. We would like to keep our most famous export, people with ideas, at home, and help them send their products abroad.

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**Clydesdale Bank**

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Tel: 041-248 7070. Telex: 77135.  
Chief Office: 30 Lombard Street, London.  
Tel: 01-626 4545. Telex: 887020

This is one of the stamps in a fascinating study of memorable Scots commemorated on stamps of foreign countries. The book is titled 'Other Men's Heroes' by Alwyn James, in the Clydesdale Bank Heritage Series.

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Friday April 22 1983

# How to fund technology

One of Japan's competitive strengths is said to be its ability to harness the combined talents and resources of government, industry and academic institutions in pursuit of defined national goals. The so-called fifth-generation computer project, launched in 1981, is widely seen by competitors in Europe and the U.S. as the latest and most threatening example. The British Government is now in the final stages of considering a plan, put forward by the Alvey Committee last year, which in the minds of some of its authors has strong affinities to the Japanese approach.

The proposal is for a national programme in advanced information technology, involving collaboration between industry, the academic sector and other research organisations, with government backing. In the form proposed by the committee the programme entails a degree of central planning and direction which goes beyond current schemes designed to encourage technological advancement. Thus for a government which, in theory at least, is hostile to state intervention, the Alvey report poses issues of principle, quite apart from the practical problems of how the programme should be managed and funded.

## Recommendations

Alvey recommends a five-to-ten year programme covering basic research and design tools in four key "enabling technologies": software engineering, very large-scale integration, micro-machine interfaces and intelligent knowledge-based systems. The total cost over the first five years is estimated at £550m. Government would provide 100 per cent of the funding for academic research and education and some 60 per cent for industrial work. The balance would come from industry. A new directorate would be set up within the Department of Industry; the director would have substantial powers and resources to implement the programme.

The Alvey proposal came at a time when the trend towards collaboration in high technology is well established. This is not just a response to Japanese competition. Even a company as large as IBM recognises that it does not have the high costs of research and the relevant technologies on its own. Within the European Community the Commission has sponsored the ESPRIT programme in which 12 companies, including three from the UK,

## Pooling resources

The principle of public support for basic research in universities is long established. What is suggested is that some academic work should be related in a rather more organised way to the next stage of the development process. This linkage already occurs to some extent through private initiatives by companies, but there is certainly a case for extending it. Another helpful feature would be a greater sense of national purpose so that the relatively small number of top-class researchers in the field would be aware of a firm commitment on the part of government and industry.

Co-operation on high technology projects is not one of the UK's strong suits, but a pooling of resources is made increasingly necessary by the high costs of research and the difficulty of keeping pace with advances in knowledge. The Alvey proposals, shorn of some of their dirigisme, provide the basis for a programme which deserves to be supported.

# Pros and cons of consensus

BITTER RHETORIC in the campaign leading up to Sunday's parliamentary election in Austria must not obscure the fact that the underlying social consensus there is no more under challenge than in neighbouring Switzerland.

Both countries and many outside observers look upon that consensus as the secret of economic success. Persistent below-average inflation and unemployment rates are evidence of that success. Industrial strife is all but unknown. Swiss trade unions have had a tradition of no-strike agreements since the 1930s. In Austria trade union policy since the war has been to squeeze the best possible deals from employers without confrontation.

Union leaders have accepted that in poor years that may mean stagnation or even reduced real income. They have no illusions about a policy of redistributed wealth. It is a common saying among Austrian union officials that where nothing is produced, there is nothing to distribute. True, but sound.

As long as union leaders can be sure of their members such an attitude gives employers more security on several counts. Disruption of production by labour disputes is almost unknown. So it is an important selling point of both Swiss and Austrian exporters that they can be trusted to stick to delivery dates. The effect on costs of discipline and moderate union policies needs no further discussion.

But the social consensus extends further. In both countries the hard currency policy is not controversial. Unions and employers—the latter occasionally with grudging teeth—believe that allowing the exchange rate to fall is an undesirable soft option. Given the high dependence of both countries upon imports of raw materials and components that belief has a firm basis. In turn, it must reinforce the determination of both sides to keep inflation at bay.

The negative sides of con-

sensus are less immediately apparent, but none the less real. The price to pay for a docile (not cowed) labour force and for a far-reaching integration of union representatives into the political and economic decision-making process is the preservation of certain rigidities in the labour market.

Austrian industry has had to accept considerable overmanning. In 1982, employment in industry fell by four per cent, whereas output went down by half per cent.

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The negative sides of con-

"B.L. ON STRIKE: recession over." The headlines juxtaposition is not merely ironic: to many, the intricate and apparently trivial dispute at BL's Cowley plant is a confirmation of a return to normality, with union militancy in the bellweather motor industry rising together with the sales figures.

On this view, there are more than Cowley swallows in the spring of organised labour's comeback.

● Ford's Halewood workers went on the strike stones for four weeks to challenge the sacking of an assembly worker who allegedly bent a bracket; they won a compromise board of inquiry which is now creaking into operation.

● Vauxhall workers threatened action on imports: they got double shifting in some plants.

● Telford's dockers are staying out on a parity claim.

● Timex workers in Dundee sit in against closure.

● The telecommunications engineers battle stubbornly on against privatisation by putting the squeeze on the capital's financial and administrative centres.

Here we go again (happy as can be, add some).

Lots of people told them so. Mr Len Murray, the general secretary of the Trades Union Congress, writing in *Personnel Management* last year, told his readers "if and when there is an upturn in economic activity and the balance tilts towards the workers then do not be surprised if workers' anger is vented on them in the current recession and are ready to inflict a few scars themselves."

Mr Pat Lowry, chairman of the Advisory Conciliation and Arbitration Service (Acas) who is seen by many of his political masters as a yesterday's consensus man, warned managers to make structures, not war, before the boot took its inevitable return trip to the other foot. "Don't manage your business through the threat of the dole queue," he told executives in South Wales last week.

Some managers do believe in the vision of unions surging back, knives out. "There are some companies whose cards are marked," said an oil company manager earlier this year, adding nervously: "Not ours, of course." Some union leaders and officials also believe that nothing has changed except the

## 'Some companies whose cards are marked'

Government: come Thatchers down, the forward march of Labour begins again.

But most don't. Over the past few months, opinion among those who have most to do with industrial relations has tended to reflect this composite view: the time has come when the economy will mean a certain revival of union strength in some sectors, the experience of, and the changes which have occurred in, the last three years coupled with deeper structural shifts mean that a new set of relations is now being forged between management and labour—though no one is sure what.

The most obvious (and crude) index is that of industrial disputes. Figures soon to be published by the Employment Department will show that over the first three months of the

year, recorded industrial stoppages have been running at the rate of around 60 a month—a historic, all-time low. Further, most of these are in the public sector. The private sectors—engineering, food and drink, textiles, chemicals—are almost dispute free.

A typical Transport and General Workers' district officer in southern England has spent much of the last, grinding, three years negotiating redundancies, low wage deals, holding the union's line in the brewery, transport companies and paper mills where his members work—and putting in overtime on campaigns against closures or organising the local branch of Trade Unions for a Labour Victory.

"The members are less cowed than they were 12 or 18 months ago, but there's certainly no return of militancy. People now identify more with their company in the sense that they're more aware of its market problems."

The official, in a thoughtful address recently to his local trades council, said he feared a further five years of conservatism could do deep, perhaps irreparable harm to the labour movement's collectivist reflexes, push unions out of the areas where organisation was beginning to spread under Labour and pen unions into their own, well-organised, mass workforce bases. These were often the worst sufferers from recession-induced, or technological, redundancies.

Union officials at every level of their unions fear one thing above all: that their hegemony over their members has been broken or significantly diluted, and may never return. Union hegemony is a complex matter

## BRITAIN'S UNIONS

# Trouble... but it's not like the old days

By John Lloyd, Labour Editor



A show of hands by striking Cowley workers: to some a confirmation of a return to normality

—made up in part of economic climate which allows successful bargaining without too much apparent stress, the self-confidence of union officials and activists, apparent weakness or conciliatory behaviour on the part of management, a leftist or at least consensual political climate. It is, in part, a confidence "trick" in the literal meaning of the word—and the confidence has now largely vanished.

Or, where it survives still, as in the practice of Arthur Scargill, the miners' president, it is seen by members as inappropriate, and the union leadership is forced to retrench. Sid Vincent, the frank and free leader of Lancashire miners, sat down to his pint after his national executive meeting earlier this month and announced sardonically to the pub: "The mighty miners! Bloody hell!"

Union self-confidence will survive better where the local traditions have best sustained it—as at Cowley, Halewood, Dundee, the docks. Comeback attempts will also be most likely in those areas, because the shop stewards, where they have survived in place over the past few years, will be the most ambitious to win back at least part of their positions of power.

They can no longer make a big dispute out of a little dissatisfaction—they would argue they never could—but where a widely held grievance exists, they can still deploy their organisational skills.

However, these are isolated, often doomed disputes; elsewhere, the heads are well down. Will it last?—the question managers ask with hope, unions with foreboding. The answer cannot be a simple yes or no, though the implications of

answering both yes and no are graver for the unions, at least immediately, than for management.

First, some managers have put in place new systems which typically both improve industrial relations (in the sense that disputes are avoided) and weaken at least one level of union power—usually the steward or local official layers.

Take Talbot, for example, the UK offshoot of Peugeot Citroën. The new management of George Turnbull inherited, in 1979, an industrial relations system which barely existed: agreements were seldom written down, bargaining went on at all levels and management rarely talked direct to workers.

Now, says Michael Judge, Talbot's IR director, bargaining is done with national officers who are responsible for the agreement, while referring to joint stewards committees. Each meeting jointly agrees minutes at the end, and these are published the next day.

The crucial management tool—information—now goes top to bottom. On the third Monday of every month at 11.00 am, Turnbull briefs the company's directors on the main issues facing the company. Within 72 hours, the briefing has cascaded down through senior, middle and junior management to the foremen on the floor, who pass it on to their men. In the Ryton plant the line stops for half-an-hour to allow the process to happen. Recently, the lines in all plants stopped for an hour to allow workers to watch a specially prepared video on the company, and to discuss it.

There's a lot more interest in the company than we thought there would be," says Judge.

"And that's come through in quality." Naturally, a company which has slimmed down from 22,000 to 8,000 in the past five years might expect its remaining workers to be less adventurous and have a certain interest in the company's future: continued militancy in the face of such a loss could not possibly be seen as rational. Nevertheless, the new systems are there, in place, and will be difficult to shift (assuming the unions wished to do so) without an all-but-unthinkable surge back towards the violence of the recession.

It is the violence of the recession, the desperation of many managements, which has swept in the new structures (and often swept out the old activists in exceptionally rough industrial justice). They have been driven—as they would see it—to tackle lousy industrial relations in order to compete and stay in business.

Take Carreras Rothman, which four years ago opened a new plant on a site at Spenny-moor in the North East where relations had been dire. Instead of running the plant on conventional tobacco industry lines, it split the workers up into six groups, each with a group leader, each area painted a different colour, each with its own lockers and tea bar. The exercise was a textbook classic in divide and rule—and at the same time, management lines were simplified and information greatly increased. Production and relations improved: in surveys, most workers say they like the new system.

Peter Ball, the Engineering Employers' Federation's director of operations, says that the compression of multiplicity of changes over the past three years means "there's no going back. All the labour shedding that's gone on throughout the

age or discourage union power means that an improvement in any one of them could lead to at least a temporary change in fortunes: as an obvious example, the election of Labour at the next poll would greatly assist the unions."

Yet even that, which they most devoutly wish, would not negate the other factors we have examined. Even that could not—or certainly should not—stifle the necessary debate on their purposes and strategies. Even in the face of such a victory, unions would have to change fundamentally, re-think both their political and industrial reflexes for an industrial world more diverse, a membership less easily disciplined and organised and managements less easily impressed.

main sectors won't, by and large, be reversed. The breakdown of craft demarcations won't be reversed. The new ways of doing things, many of them, are simply here to stay."

Second, the long term, structural shifts in the pattern of industry are moving against the union's traditional ways of organising. Mr Jim Hammer, HM chief inspector of factories, earlier this week pointed up what these changes are:

● Labour intensive and large-scale production is increasingly being taken over by the Third World, leaving advanced countries with pilot and early production processes.

● Big employers of labour in the advanced countries are laying off workers to get down to a core of permanent employees.

● As much indirect work as possible is being hived off to small service companies, often begun and staffed by former big company managers and employees.

In many sectors—such as transport, maintenance and catering—the shift from direct to indirect provision is likely to be permanent.

The implications for union organisation are clear enough. Especially when financially weakened, unions cannot hope to organise a multiplicity of small employers, many of whom are hostile to unionism. Their well-organised bases continue to be whittled away the faster as automated production and clerical techniques are introduced. As the material base for unionisation erodes, so does pre-union sentiment and union political power.

This is precisely the vision which haunts union leaders. Some, like Bill Keys, general secretary of the print union Sagat 82, have summed the country, learning that youngsters are rarely attracted to the Labour movement, warning that the growing gulf between union leadership and members threatens to contribute to a social anomaly which will generate a new, more desperate and widespread cycle of rioting. "I see no alternative, if present policies are followed. I have never known the depths of alienation as I have seen in past years. I do fear for the future."

Bill Keys is no determinist—rightly. The interdependence of the many factors which encour-

## A whittling-away of the unions' power bases

age or discourage union power means that an improvement in any one of them could lead to at least a temporary change in fortunes: as an obvious example, the election of Labour at the next poll would greatly assist the unions."

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## Men & Matters

### Unsocial name

Sir Keith Joseph, Education Secretary, is not letting such minor diversions as the current election fever intrude upon his quest for a greater sense of exactness in the Social Science Research Council.

He was more than a little ruffled last year when Lord Rothschild's report into the work of the council told the politicians to leave the SSRC and its budget well alone.

Rothschild evidently felt that the council had become the victim of an attack not wholly based upon cool reason.

Joseph, Fellow of All Souls, has at various times in his career propounded controversial social theories of his own. He could scarcely dismantle the SSRC, however, on the strength of that inquiry which was, as Rothschild noted at the time, no less than the tenth external review within ten years.

The minister contented himself with nibbling at the budget and demanding the council should change its name.

It is the name change problem that is now causing disorder in the council's corridors. Michael Posner, chairman, has sent off about 140 letters to those interested or even vaguely interested, to seek advice.

The shorted proposal offered him so far is Social Research Council, and the longest Social Psychological and Economic Research Council. I am sorry to have to report there is not a decent acronym among them.

Sir Keith has set certain ground rules in the choosing of the new name. The phrase "social science" must disappear. Sir Keith believes that science is a term appropriate to the study of subjects about which conclusions can be demonstrated in a replicable fashion.

Since the council's constitution requires the name change

decision to be processed by two council meetings it cannot be accomplished until July at the earliest. But that time Sir Keith Joseph may well be elsewhere. A number of SSRC people are heartily wishing him bon voyage.

### Ustinov's Russia

Black clouds over British-Soviet relations were momentarily blown away yesterday by gales of laughter at Foyle's Literary lunch in London marking the launch of Peter Ustinov's book "My Russia."

Ustinov, conceived in Leningrad and born in London, as Sir Fitzroy Maclean explained, mimicked his way through a string of anecdotes about his Russian kinsmen to show that Moscow is really "an enormous Dublin."

Viktor Popov, the Russian ambassador in London, seemed delighted as joke followed joke.

Praising Ustinov's book as a contribution to Anglo-Soviet understanding he said this was his own brief in London—but it had sometimes proved difficult.

Popov also seemed to be offering himself as the subject of one of Ustinov's future Russian stories when he explained that he had intended to invite the author to lunch. But he had not yet been able to do so because his chef had broken his leg.

### Dry cover

Hoping to find an enthusiastic market in the so-called "total abstainer" population of the Southern Bible-belt states, a Swedish insurance firm is now exporting its low premiums for non-drinkers to the U.S.



"Perhaps we're destined to become a nation of Throat Lozenge manufacturers."

Ansvar, the firm in question, seems confident enough.

But will this faith be shattered by an unforeseen wavering in prospective clients? Ansvar must know the risks, for it is taking over the Chicago-based operations of The Central Security Company, a mutual insurance firm which offered similar policies but apparently ran into financial trouble.

Undaunted, Ansvar is plunging \$3m into wooing a sober clientele. It hopes the name—meaning "responsibility"—will become as popular a toast with the self-disciplined in the U.S. as "skål" is back home.

Cheers.

### Away days

Multispec, of Wieldrake near York, a company which makes equipment for milk analysis by infra red techniques, seem to

have taken the aims and objects of the Queens Award for export and technology to their logical conclusion.

Ninety eight per cent of its output is being exported representing sales of some £1,500,000 a year.

While celebrating inclusion in the new award list chairman Jack Shields and his staff of 40 own to some guilty feelings. Perhaps they ought to be selling harder in the home market?

Meanwhile, Multispec has concluded an agreement with the Indian Government to improve milk quality in the sub-continent. With that and other business in view Shields is doubling his factory space and increasing staff.

While the export business thrives the home market push may have to wait a little longer.

### Actuarially...

Not averse to letting slip a secret or two about their chosen profession the students of the Institute of Actuaries call their magazine *Fiasco*.

The new issue is running a quiz to test the body of knowledge apparently required to make a good actuary.

A couple of samples—  
 Q—In how many editions of the Yearbook has a statement appeared to the effect that Actuarial Practice of Life Assurance is in the process of being rewritten?  
 A—Seven.

Q—How old is the oldest member of the Institute?  
 A—Ninety eight.

He (or she) must be getting a little anxious about the long-awaited handbook.

Observer

# BREWING SURVEY

The Financial Times wishes to apologise to its readers and the advertisers within the **Brewing Survey** for moving the survey from today's issue to Monday 25th April's issue.









# FINANCIAL TIMES

Friday April 22 1983



GOVERNMENT DEPARTMENTS' SPENDING SPREE THREATENS MONEY SUPPLY AIMS

## UK public borrowing £1.7bn over target

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

BRITAIN'S public-sector borrowing amounted to £3.2bn (\$4.2bn) in the financial year that ended this month. That was £1.7bn more than estimated by the Treasury when the Conservative Government introduced its budget on March 15 and about £2bn more than many City of London analysts were predicting only a few weeks ago.

The substantial overshoot of the Government's target, disclosed in official figures published yesterday, appears to reflect an end-of-year spending spree by central government departments and local authorities.

The overshoot is embarrassing for the Government, mainly because it has set borrowing targets for the 1983-84 financial year that many analysts think are very tight. The London Business School said

earlier this week that this year's borrowing could easily be breached, and yesterday's figures appear to underline the warning.

The Government will also be anxious in case a high rate of public borrowing should put pressure on its money-supply targets, which were already showing signs of strain in March. It is likely to be especially determined to avoid any upward movement in interest rates if it is considering an early general election.

The borrowing figure was somewhat less than the £3.5bn target announced for the year in March 1982, but the Treasury was confidently predicting by the early autumn last year that actual borrowing would fall below that estimate.

Indeed, Mrs Margaret Thatcher, the Prime Minister, subsequently urged local authorities to spend up

to the limit of their budgets. A special allocation of cash for house improvement grants was announced to help this.

The autumn decision by Sir Geoffrey Howe, Chancellor of the Exchequer, to cut the employers' national insurance surcharge by half a percentage point and to give employers some relief in the current year, also reflected a belief that borrowing was running below its target.

Those measures may have contributed to the higher figure announced yesterday.

The main factor, however, appears to be that departments, particularly the Ministry of Defence, made a last-minute effort to spend the full amount of their cash budgets.

That was unexpected, because in 1981-82, the first year in which British public spending was planned in

cash rather than volume terms, departments substantially underspent their budgets. Public borrowing in that year turned out to be £2bn below the Government's estimate.

It now seems that departments "got wise" to the new system. If so, the Government might be in trouble, since it has included an allowance of £1.2bn for underspending in the current year and has cut the allowance for contingencies to only £1.5bn, of which £300m has already been spent.

This is much tighter than the budget for 1982-83, which did not include any explicit allowance for underspending and had a contingency reserve of £2.4bn.

The final figures for 1982-83 showed that local authorities made a final sprint in the closing weeks of the year, increasing their borrowing requirements by £400m more

than the Treasury was estimating in March. As a result of substantial repayments on short-term debt their borrowing requirement for the whole year was only £300m.

Nationalised industries appear to have followed a similar path, increasing their borrowing requirements by £200m more than expected to a total for the year of £1.7bn.

Officials are still uncertain about the extent to which last-minute spending in 1982-83 merely represents a shift of projects from one financial year to another. If that happened, the borrowing pressure in the current year might be eased.

However, since spending plans are set in cash rather than by particular projects, departments still have plenty of time to find new projects to replace any which have been accelerated from 1982-83 into 1983-84.

THE LEX COLUMN

## No spring in the Dunlop racket

Dunlop's roadholding ability seems to have been improved not a jot by five years of brutal streamlining. The hairpin bend encountered by its UK and European tyre operations halfway through 1982 has seen the whole company skew alarmingly into pre-tax losses of £7m.

But with sales up marginally to just over £140m, there is still plenty of mileage being clocked up.

After a subdued but not unhopeful first half, the tyre businesses have lost £10m in the UK and £9m in the rest of Europe.

During the second six months exports to the EEC, particularly from Spain, have snatched what little volume growth the market has offered, while severely competitive pricing has reduced margins—especially in France—and cast further gloom over a market racked by excess capacity.

Profitable non-European operations have again concealed much of the damage at an operating level, with useful gains reported by U.S. subsidiary. But £26m of financing charges better reflect the cost of being a European tyre producer and by fully consolidating its French borrowings while consolidating Dunlop India, the group has picked up net additional debt of £24m.

With interest costs piling up, Dunlop has sorely missed receiving the £24m of cash stuck in the pipeline from its latest Malaysian asset disposal—exactly the kind of timing mishap which Dunlop's cash flow can now ill afford.

Another £23m of rationalisation costs plus the usual stiff tax charge and £44m of capital investment has probably left a net outflow slightly in excess of £191m, after taking account of £23m received in 1982 out of the deferred proceeds of the earlier Dunlop Estates sale.

Given the cash deficit and an £83m retained loss for 1982 Dunlop has not surprisingly kept its assets under the property surveyor's microscope: a £35m revaluation has been a crucial help in restraining the reported debt: equity ratio to 94 per cent.

As things stand, Dunlop must regard the recent accumulation of shares by Malaysian interests as a source of some comfort, if not of

wonder, rather than as the hostile presence which it might have seemed only a few years ago.

### Woolworth Holdings

After the 22p jump in Woolworth Holdings' share price yesterday investors who backed the Paternoster buyout last November have seen the shares rise from a subscription price of 150p to 277p. This is exceptionally good going for a company whose first three reports may be promising, but is certainly inconclusive. The big jump in profits—up 24 per cent at the trading level in the year to January—was already underway last summer from the very low base of Woolworth's awful first half, and no clear strategy has yet emerged to show how Woolworth intends to keep momentum going in a less favourable climate for consumer spending than the present one.

More than half of the trading profit increase was due to the newly established DIY activities. Volume in the traditional Woolworth business moved up only marginally, with most of the rest of the improvement coming from some sensible pruning and better stock controls. This was sufficient, to keep the company's head above water on the basis of the new financial structure—but only just. With Woolworth's debt now standing at a mountainous £303.6m, the £40.7m interest charge left pre-tax profits at a mere £4.3m.

The figures look better after taking in £16.2m of property profits. Even so, they still leave Woolworth on a fancy—or fanciful—rating. Given some more property sales, which will be essential anyway, to trim borrowings, pre-tax profits could reach £28m this year. But that would leave it on a fully taxed multiple of 14, and without the property the p/e shoots into the exclusive 40 and 50 zone.

### Chemicals

Yesterday it was the turn of the chemical sector to move firmly into the van of the rising stock market. The confident tone emerging from ICI's AGM was enough to push the company's share price up 33p to an all-time high of 488p. Among the other stocks in the sector to register high were Laporte, up 10p to 288p on reporting a healthy profit increase, and BOC, up 18p to 230p.

ICI's first quarter has seen the benefit of better volumes, which may have been enough to push pre-tax profits over the £100m mark. And the omens look promising for the current quarter, seasonally the strongest of the year, since some of the price rises that seem to have been made to stick should be reflected in a boost to margins. Laporte's 36 per cent increase in pre-tax profits to £28.7m was achieved on flat volume in last year's difficult climate. The improvement reflects the upgrading in the company's production facilities and its steady shift away from the cyclical areas of the chemical market. As such, Laporte shows in microcosm what has been happening in the whole industry. Meanwhile, the shares offer a yield of 4.2 per cent—a long way from the days when they were an income stock.

### PSBR

The Government's exhortation to local authorities to spend, spend, spend has been taken up in earnest. Approval of the March CGSR figure could be explained away by a switch in the profile of local authority borrowing was rudely dashed by yesterday's PSBR statistics for the final quarter of fiscal 1982-83.

The March overshoot of £1.7bn—compared with the Red Book Estimate—gives no guide to the underlying increase in spending. As much as half the apparent excess may represent the carry forward of 1983-84 outlays, particularly within central government, while the part in local authority spending is unlikely to be repeated during a year in which the PSBR figure of £3.2bn is already looking tight.

Yet these are not figures to delight a gilt-edged market increasingly concerned by the momentum of the monetary aggregates. Part of the overshoot will be immediately offset by a repayment of bank debt and the authorities may recently have been selling much more stock than is apparent from their official operations. But, to judge from the recent pronouncements of ICI and others, business loan demand could be taking off at a time when the pattern of public spending is, to say the least, inscrutable and when, for this stage of the economic cycle, bank lending is already on the high side.

## BL strike talks fail but sackings put off

BY ARTHUR SMITH IN BIRMINGHAM

BRITISH LEYLAND (BL) unions and management appeared to be pulling back from the brink last night in spite of the collapse of national negotiations to solve the three-week old strike at Cowley, Oxford.

The state-owned car company, in a move which postpones the immediate crisis, indicated that no decision would be taken on dismissing employees until it was known how many workers had reported back by next Monday.

The dispute erupted following management's attempt to do away with three minutes' "washing up" time at the end of each shift.

The trade unions will put their own "peace formula" to a mass meeting of the 5,000 strikers today. But the recommendation which the workers are expected to endorse is capable of many different interpretations—a move which opens the door for further negotiations.

Mr Moss Evans, general secretary of the Transport and General Workers Union—one of the two main unions involved—said last night that immediately the result of the workers' vote was known union leaders would be in touch with the company to seek further meetings.

Clearly there is the prospect of extended negotiations throughout the weekend. One possibility is that the Advisory Conciliation and Arbitration Service (Acas) might intervene.

## Dunlop omits payout after £7m loss

BY CHARLES BATCHELOR IN LONDON

DUNLOP, the hard-pressed UK tyre manufacturer, made a pre-tax loss of £7m last year despite its far-reaching retrenchment programme. It will pay no final dividend for the first time for more than a decade.

The stock market had been expecting the company to make a loss in 1982, compared with 1981 when it broke even, but the shares fell 3p to 52p yesterday on the news. This gives Dunlop a market valuation of £74.8m.

Sir Campbell Fraser, the chairman, described the group's major problem as "tyres in Europe". Dunlop lost about £26m in this area, half of it in Britain.

Turnover increased by £80m to £1.52m, an increase of 4.5 per cent, but when changes in the accounting treatment of companies in France, India and Malaysia are taken into account, the sales rise is reduced to 3 per cent.

Dunlop's operating profit fell by £11m to £41m, of which only £12m profit was made in the second half of 1982, reflecting a marked deterioration from the first half.

The loss attributable to shareholders rose by £11m to £52m. But after taking into account £26m of extraordinary items—the result of rationalisation costs in Europe—the attributable loss was nearly double the 1981 figure at £20m.

Shareholders will receive no payment beyond the 2p interim dividend already distributed.

Dunlop's performance continued to worsen in the opening months of 1983. Further radical action will have to be taken to improve its European tyre operations, the company said.

"A strengthening performance in Germany was offset by continuing difficulties in France, the UK and Ireland," it said. "On the other hand, profits from other products in the UK are improving and a number of overseas subsidiaries, notably in the U.S., are performing well."

Dunlop shed 1,000 tyre jobs in the UK last year, leaving 4,750. The total UK workforce dropped 4,000 to 25,000. However, there is still 15 per cent overcapacity in Europe for car tyres.

Dunlop is still awaiting approval from the Malaysian federal investment committee for the sale of a 25.5 per cent stake in Dunlop Malaysian Industries to a local investment group, Pagi Malaysia. This sale would produce an extraordinary profit of about £24m.

Sir Campbell repeated the company's earlier statement that it had no reason to believe that Pagi, which already holds 26 per cent of the parent Dunlop group, was going to make a bid for the rest.

## Israel will keep Golan says Begin

By David Lennon in Tel Aviv

MR Menachem Begin, Israel's Prime Minister, has forcefully declared that his country will never give up the Golan Heights, captured from Syria in 1967. This was a direct rebuttal to U.S. President Ronald Reagan, who last week said that he hoped all territory captured by Israel would be given up.

Israel effectively annexed the Golan in December 1981 when Israeli law was extended to the Heights. "The Golan Heights are under Israeli law and will continue to be so always. Nothing can change that," Mr Begin told cheering party supporters, in Tel Aviv.

In an attempt to win support for his peace plan, President Reagan sent a message to President Hafez al-Assad of Syria last week, expressing the hope that the U.S. peace initiative could be expanded so that all territory occupied by Israel would be given up.

It is generally believed that one reason for the failure of the American effort to bring King Hussein of Jordan into the peace process was the objections of the Syrians. Damascus felt left out because Mr Reagan's initiative in September 1981 had not made any reference to the fate of the Golan.

Last week's message to President Assad, clearly designed to rectify that, angered the Israelis. They were not mollified by assurances from Washington that the President's letter merely reiterated longstanding American policy.

Despite its likely negative impact on relations with Washington, Mr Begin decided to issue his forthright statement over the Golan to make clear to everyone that Israel would never surrender the Golan, even in exchange for a peace treaty.

Meanwhile, there is growing concern in Israel that Syria may be preparing for limited action against the Israeli forces in Lebanon. Prof Moshe Arens, the Defence Minister, told Knesset members that "certain military preparations are under way in Syria, but it is not clear whether they are offensive or defensive in nature."

The Syrian military action, he said, might be in preparation for war or it might reflect Syrian apprehensions of an Israeli military operation.

## Turkey signs \$2.5bn trade deal with Iran

By Metin Mumtaz in Istanbul

TURKEY and Iran yesterday signed a trade protocol under which the neighbours plan to increase their trade volume to \$2.5bn in 1983, a rise of 25 per cent over the previous year.

The agreement was signed in Ankara by Mr Kemal Ciftlik, the Turkish Minister of Trade, and Mr Behzad Nabari, the visiting Iranian Minister of Industry.

Under the agreement, Iran, which last year replaced West Germany as the biggest recipient of Turkish exports, will increase its purchases from Turkey by nearly 70 per cent to \$1.2bn, Mr Ciftlik said.

Turkey will sell Iran wheat, barley, meat, foodstuffs, leather chemicals, iron and steel, and other manufactured goods. The border posts between the two countries will remain open round the clock to facilitate the increased flow of traffic. Iran will give priority to Turkish ships and hire 2,000 tonnes from Turkey to use to carry goods at home.

Turkish companies will be given priority in contracts to manage, maintain and provide spare parts for Iranian factories. Turkish contractors expect to gain access to the Iranian construction market.

## Société Générale de Belgique seeks capital

BY PAUL CHEESERIGHT IN BRUSSELS

SOCIÉTÉ GÉNÉRALE de Belgique (SGB), the financial holding company whose interests stretch throughout Belgium industry, is to seek fresh capital through a new issue of ordinary shares.

It thus joins a growing number of major international financial institutions seeking to take advantage of strengthening equity prices on international markets by raising fresh funds.

The group yesterday disclosed net profits for 1982 of Bfr 2.29bn (\$46.7m) confirming the recovery it originally announced at the end of March.

In the previous year there were losses of Bfr 2.74bn caused mainly by two factors: the consolidation in the accounts of Union Minière, the non-ferrous mining company hurt by recession, and its Sybetta unit's difficulties over a fertiliser plant construction contract in Iraq.

SGB is maintaining its dividend at Bfr 90 but this time the payment is covered by earnings; in 1981 the funds were drawn from reserves.

The offer of new shares will come after SGB has itself subscribed to capital increases planned by a number of group companies. The annual report, available today, does not specify how many shares the group will offer or how much new capital it wants to raise.

## Alcoa reports \$14m loss in first quarter

BY WILLIAM HALL IN NEW YORK

ALUMINUM Company of America (Alcoa), the world's highest aluminium producer, has reported a first-quarter loss of \$14.3m or 19 cents a common share, which compares with a net income of \$43.8m or 57 cents a share in the comparable quarter of 1982.

The latest quarter's results are cushioned by \$24m of inventory profits in the first quarter.

In common with Reynolds Metals, another big aluminium producer which reported a first-quarter loss last week, Alcoa says that it believes the worst is over for its industry. Mr Charles Parry, who took over as chairman and chief executive at the beginning of the month, says the latest figures are an improvement on the final quarter of last year and reflect a 6 per cent increase in shipments.

"Order receipts in the U.S. were up substantially in the first quarter, part of the increase is attributable to inventory replenishment by our customers," says Mr Parry. Although world input prices and prices of some U.S. mill products have been increasing, the company says there has been no price improvement on rigid container sheet

## BIS president warns on loans

Continued from Page 1

A number of banks, particularly small U.S. regional and smaller French, West German and Swiss banks, have cut back on their inter-bank lines to Latin American debtors.

The inter-bank money market is the easiest place for banks to cut back their exposure to problem debtors, whereas regular bank loans are longer-term multilateral deals and more difficult to pull away from.

Bankers said yesterday that Dr Leutwiler was troubled by the problem of central bank responsibility in the inter-bank area should the commercial inter-bank lines prove difficult to recover. He therefore opposed central bank pressure on the banking community.

## Nigeria starts talks with IMF

Continued from Page 1

result of the international oil glut. Foreign exchange reserves have fallen from a level of more than \$80bn in 1981 to barely \$1bn today.

Further contacts between senior Nigerian officials and the IMF are likely to take place in Washington next week, coinciding with the meeting of the World Bank's development committee. Then a further visit by an IMF team to Lagos to discuss firm "policy options" would be necessary before any letter of intent could be signed.

A leading Nigerian banker said yesterday that he understood the Fund visit had been made on the clear understanding that devaluation of the naira would not be discussed.

## World Weather

Area	C	F	Area	C	F	Area	C	F	Area	C	F
Algeria	10	50	London	12	54	Madrid	10	50	Seville	15	59
Amman	15	59	Paris	15	59	Moscow	10	50	Singapore	25	77
Algiers	10	50	Rome	15	59	New York	10	50	Stockholm	15	59
Antwerp	10	50	Brussels	12	54	Los Angeles	15	59	San Francisco	15	59
Athens	15	59	Cairo	20	68	San Diego	15	59	Seattle	15	59
Bahia	25	77	Geneva	12	54	San Jose	15	59	Shanghai	15	59
Batavia	25	77	Hamburg	12	54	Sao Paulo	15	59	Singapore	25	77
Bombay	25	77	London	12	54	Seoul	15	59	Singapore	25	77
Buenos Aires	15	59	Madrid	10	50	St. Louis	15	59	Singapore	25	77
Bombay	25	77	Paris	15	59	Tokyo	15	59	Singapore	25	77
Bombay	25	77	Rome	15	59	Washington	15	59	Singapore	25	77
Bombay	25	77	Brussels	12	54	Wellington	15	59	Singapore	25	77
Bombay	25	77	Cairo	20	68	Yokohama	15	59	Singapore	25	77
Bombay	25	77	Geneva	12	54	Zurich	15	59	Singapore	25	77
Bombay	25	77	Hamburg	12	54				Singapore	25	77
Bombay	25	77	London	12	54				Singapore	25	77
Bombay	25	77	Madrid	10	50				Singapore	25	77
Bombay	25	77	Paris	15	59				Singapore	25	77
Bombay	25	77	Rome	15	59				Singapore	25	77
Bombay	25	77	Brussels	12	54				Singapore	25	77
Bombay	25	77	Cairo	20	68				Singapore	25	77
Bombay	25	77	Geneva	12	54				Singapore	25	77
Bombay	25	77	Hamburg	12	54				Singapore	25	77
Bombay	25	77	London	12	54				Singapore	25	77
Bombay	25	77	Madrid	10	50				Singapore	25	77
Bombay	25	77	Paris	15	59				Singapore	25	77
Bombay	25	77	Rome	15	59				Singapore	25	77
Bombay	25	77	Brussels	12	54				Singapore	25	77
Bombay	25	77	Cairo	20	68				Singapore	25	77
Bombay	25	77	Geneva	12	54				Singapore	25	77
Bombay	25	77	Hamburg	12	54				Singapore	25	77
Bombay	25	77	London	12	54				Singapore	25	77
Bombay	25	77	Madrid	10	50				Singapore	25	77
Bombay	25	77	Paris	15	59				Singapore	25	77
Bombay	25	77	Rome	15	59				Singapore	25	77
Bombay	25	77	Brussels	12	54				Singapore	25	77
Bombay	25	77	Cairo	20	68				Singapore	25	77
Bombay	25	77	Geneva	12	54				Singapore	25	77
Bombay	25	77	Hamburg	12	54				Singapore	25	77
Bombay	25	77	London	12	54				Singapore	25	77
Bombay	25	77	Madrid	10	50				Singapore	25	77
Bombay	25	77	Paris	15	59				Singapore	25	



## SECTION II - INTERNATIONAL COMPANIES

## FINANCIAL TIMES

Friday April 22 1983

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## Agfa-Gevaert group consolidates role in high technology

BY PAUL CHEESBROUGH IN BRUSSELS

THE SHARP pace of sales growth at Agfa-Gevaert, the international photographic, magnetic tapes, graphics and office systems group, will slow up this year, Mr. Andre Leyens, the president, said yesterday.

Growth will be 4 per cent this year after a 34 per cent increase in 1982 to Bfr 110.5bn (\$2.23bn). These sales produced record pre-tax profits last year of Bfr 5.46bn against Bfr 529m in 1981.

That result signalled that Agfa had recovered from the bad conditions of 1980 and 1981 and the losses of Bfr 1.1bn in 1982. During this period the German-Belgian group, now a wholly owned subsidiary of Bayer, has swung away from the amateur film products market and established a growing role in high-technology areas with a greater added value.

The 1982 results show that the purchase of a 68 per cent stake in Compugraphic Corporation of Massachusetts was decisive.

Not only is the U.S. now the single biggest market for the group, but, without the Compugraphic contribution, turnover last year in Belgium-franc terms would have increased at only just over half the rate it actually did.

Compugraphic takes Agfa into electronics with increasing emphasis, providing typesetters and also front-end systems for electronic printers which Agfa has already developed.

The acquisition symbolises Agfa's concentration of industrial products, breaking earlier traditional reliance on the amateur photographic market and moving in the opposite direction to Kodak, the dominant international force in the amateur photographic market.

Magnetic tape sales now represent less than 10 per cent of turnover. Group executives at the Belgian headquarters near Antwerp expect this configuration to remain roughly the same for the next few years.

Indeed, the group will shortly start a new drive to strengthen its position in the consumer products area. However, this will not include camera manufacture. The group plant at Munich is being closed and terms for reimbursement were recently agreed with the unions. But the closing-down costs will still be a charge on the 1983 accounts of Bfr 5m, Mr. Leyens said.

Compens will still be available carrying the Agfa name, but they will be produced for the group under contract, probably in Singapore, and to Agfa specifications. The group already follows that technique with small office copiers made in Japan.

While this diversity emphasises the international character of the group, the base remains in Europe. But, Mr. Leyens observed, "We cannot consider Europe as the true home market, as within the EEC there remain all kinds of artificial frontiers."

Mr. Leyens was referring to factors such as currency fluctuations. These enable customers in one country to take advantage of shifts in value, buy Agfa products and then sell them cheaply in another EEC country, thus undermining the group's price structure.

Reflecting a multinational view of the EEC, Mr. Leyens argued that the Common Market is not a common market. With a look at Fuji in Japan and Kodak in the U.S., he asked: "How can European companies go on defending their position on such a split-up market while faced with competitors who can base their operations on a big, homogeneous home market?"

The share of countries outside Belgium and Germany in Agfa's turnover is now more than 78 per cent, and 97 per cent of the group's Belgian output is exported. But difficulties of distribution in the EEC could add about 10 per cent to Agfa's selling prices.

## Schlumberger profit down 27% at \$259m

BY WILLIAM HALL IN NEW YORK

THE sharp downturn in the world oil drilling market has hit the earnings of Schlumberger, the leading U.S. well logging company. Net income in the first quarter of 1983 is 27 per cent down at \$259m.

The fall in the group's profits primarily reflects the drop in oil exploration activity since the second quarter of last year. The downturn has been most severe in North America, where the number of drilling rigs operating has continued to fall to the lowest level since August 1976.

One of Schlumberger's main activities is known as "wireline" services, which involves dropping a cable, plus instruments, down oil wells to transmit geological data to the surface which is then plotted on a graph or "log".

North American wireline revenues fell 34 per cent in the first quarter and outside North America - Schlumberger operates in 92 countries around the world - revenues were 2 per cent lower.

## Losses doubled at Bloedel

By Our Financial Staff

NET operating losses at MacMillan Bloedel, Canada's largest forest products company, more than doubled in the first quarter from C\$10.4m to C\$23m (U.S.\$18.7m).

The latest period excludes special gains of C\$25.4m on the sales of an office

## Earnings setback for Dow Chemical

By Richard Lambert in New York

DOW CHEMICAL suffered a sharp decline in first quarter profits this year, but says it is "fully confident the second half of 1983 will demonstrate dramatic improvement."

Sales in the first quarter fell from \$2.5bn to \$2.1bn and net income was down from \$154m to \$98m. This still represents a substantial improvement on the \$13m earned in the final quarter of 1982.

"We are on the trail of economic recovery," commented Mr. Paul Orfelin, Dow's president and chief executive. The chemical industry traditionally lagged the general economic cycle by several months, he added, but "we are encouraged by the steadily increasing daily sales rate of our principal products each month."

Dow's European business had registered a healthy gain in the period, Mr. Orfelin said, and its German operations met an all-time sales record for March.

The company said the general pricing environment was improving, with price gains on several key products such as ethylene dichloride, vinyl chloride monomer and low density polyethylene. The trend towards higher prices was expected to continue.

Total debt increased by \$312m in the quarter, but net interest expense was down by \$27m. The first quarter profit included gains of \$40m on foreign currency transactions, an increase of \$33m on the 1982 figure. Net income also included \$15m in extraordinary earnings arising from the redemption of certain Dow bonds. The comparable period of 1982 included a \$37m extraordinary gain on a stock-for-debt swap.

Earnings per share in the latest period fell from 50 cents to 20 cents before extraordinary items.

## World Airways posts \$58.5m loss for 1982

By Our New York Staff

WORLD AIRWAYS is attempting for the second time in a year to restructure its balance sheet following heavy losses in the final quarter of 1982. Its 1982 financial statements have again been qualified by the auditors with respect to the company's ability to continue as a going concern.

The airline, which is based in Oakland, California, lost \$23.7m in the final quarter of last year, up from \$11.5m in the same period of 1981. Losses for the year rose from \$20.2m to \$58.5m.

As a result of this setback, World was not made certain scheduled payments to its lenders, and is not in compliance with other provisions of its debt agreements and capital losses. All interest and principal payments have been met to date on the company's publicly issued debt.

## U.S. BANKING INDUSTRY

## A resilient, yet wary, performer

BY WILLIAM HALL IN NEW YORK

GIVEN the well-publicised problems in international banking and the equally serious problems in domestic lending, the first-quarter performance of the majority of U.S. banks to have reported so far looks surprisingly resilient, which will be reassuring for those investors who have been piling into U.S. bank stocks in recent weeks.

Bank profit growth has not been as healthy as it was in the opening quarter of 1982, but it is, nonetheless, a big improvement on the final quarter of last year. Comparisons are slightly complicated since U.S. banks have changed their reporting format and are now only reporting net income. The old item "income before securities transactions" has been dropped and gains and losses on this side of the business, which in a few cases in the latest quarter were important, are now lumped into "non-interest operating income."

Bearing that caveat in mind, the performance of the majority of the lending U.S. banks in the first quarter still looks good. Citicorp, the market leader, increased its net income by 18 per cent to \$228m and increased its first-quarter dividend by 9 per cent to 47 cents a share.

This follows a 10 per cent increase in the opening quarter of 1982. Meanwhile, rival New York money centre banks J. P. Morgan and Manufacturers Hanover increased their net income by around a third. The performance of some of the regional banks was even more impressive.

Of the top dozen banks to report so far, only Continental Illinois, Chase Manhattan and Crocker have reported lower earnings. BankAmerica, after adjusting for non-recurring items in the previous

year, virtually stood still in the first quarter of 1983.

Based on the data of the top dozen U.S. banks, the following figures give some idea of how the U.S. banking industry performed in the opening months of the current year.

● Net income for the 12 bank holding companies rose by 9 per cent to just under \$1bn. Lower funding costs as a result of lower interest rates, plus improved margins, were the main factors behind the improvement. Total assets of the group rose by around 5 per cent.

● Loan loss provisions were some four-fifths up on a year ago at just over \$700m, reflecting the deterioration in asset quality on both international lending and also domestic lending.

● The total size of non-performing loans of the 12 banking groups rose by around \$7bn to just over \$15bn. For the big international banks, the bulk of the increase was due to Mexican and other Latin American private sector borrowers while the West Coast banks in particular suffered from an increase in real estate loans which have turned sour, and banks in the South have been hit by a rise in the number of energy-related loans which have moved onto a non-performing basis.

Net interest revenues, which typically account for more than two-thirds of U.S. bank revenues, were fairly firm in the first quarter. Higher loan volumes helped, but in most cases notably higher spreads (the difference between the cost of funds and the yield on a loan) were equally important.

J. P. Morgan, for instance, was able to boost its interest rate spread by nearly a quarter, or 80 basis points, in the first three months of

LEADING U.S. BANKS - FIRST QUARTER 1983 PERFORMANCE									
Assets \$bn	Annual growth %	Net Inc. \$m	Annual growth %	Loan loss prov. \$m	Annual growth %	Non-performing loans \$m	Annual growth %	Assets \$bn	Annual growth %
Citicorp	128	9.0	228.0	18	136	51	1900	83	
BankAmerica	120	1.0	125.3	1.4	96	57	2878	115	
Chase Manhattan	78	3.3	108.1	(8.0)	70	27	1900	115	
Man. Hanover	60	4.7	82.0	32.0	54	111	875	21	
J. P. Morgan	59	7.5	117.8	37.0	70	312	700	81	
Chemical	46	3.6	71.5	16.0	29	84	736	35	
Com. Bank	41	(11.9)	31.2	(53.2)	100	186	2000	137	
First Interstate	40	7.1	58.2	8.1	43	52	1448	105	
Bankers Trust	40	6.2	61.1	15.0	15	18	478	13	
Security Pacific	37	10.0	61.2	16.0	38	94	855	144	
First Chicago	35	6.0	43.5	31.0	35	58	876	83	
Crocker	29	17.8	16.1	(10.5)	18	55	724	76	

\* Adjusted for non-recurring items in 1982, na = not available, figures in brackets = loss. Source: Compiled from individual bank data.

1983 compared with the same period of last year. Meanwhile, non-interest revenues such as fees and commissions were also substantially higher in many cases. Morgan earned \$36.3m from foreign exchange dealing in the first quarter against a loss of \$2.5m in 1982 and Citicorp nearly doubled its foreign exchange earnings to just under \$100m in the first quarter.

At the same time the banks have been keeping a tight hold on expenses. BankAmerica, which is restructuring its Californian branch system, was able to trim its payroll by 2,300 people in the first quarter.

Although the overall performance of U.S. banks in the first quarter looked reasonable, there was considerable variation between banks. Among the big banks, Continental Illinois is still battling with its inheritance from last year's Penn Square debacle - the first real sign of the mounting problems in

energy lending which are beginning to haunt many U.S. banks.

Continental Illinois put aside \$100m in the first quarter, the highest provision of any bank apart from Citicorp, and revealed that of the \$2bn non-performing loans in its portfolio, nearly a third (\$600m) reflected loans bought from Penn Square.

Seafirst, the other big bank hit by the collapse of Penn Square, is also still suffering the after-effects. First-quarter results show another substantial loss.

While the scars of Penn Square are still visible at Seafirst, Continental Illinois and to a lesser extent Chase Manhattan, bank analysts believe that the problems associated with energy-lending are only just beginning to surface. The Dallas-based Interfirst Corp., the largest banking group in the fast-growing Texas market and the fifth biggest in the U.S., reported a 25

per cent fall in first-quarter net income.

The West Coast is also undergoing significant changes which are hitting the earnings of several banks.

BankAmerica's net interest margin grew more modestly than those of the East Coast banks in the first quarter - a factor it blames on the higher cost deposit structure which is following the introduction of the new high-yielding current accounts (money market type accounts).

Crocker National, which is majority-owned by Midland Bank, has been even more seriously affected by the developments, plus the problems associated with real estate lending. Despite the \$500m extra capital it received from Midland, its earnings fell in the first quarter and its return on assets is the second lowest after Continental Illinois of the leading banks. Over half of its \$724m non-performing assets is related to real estate.

## Apple Computers boosts income 73% in quarter

BY OUR FINANCIAL STAFF

APPLE COMPUTER, the U.S. personal and business computer manufacturer, lifted its second quarter earnings by 73 per cent to \$23.9m, or 40 cents per share from \$13.8m (24 cents per share) in the corresponding period of the previous year.

Shares soared from \$11m to \$22.2m on the back of continuing strong worldwide demand for Apple products. And turnover received a further boost from the January introduction of the new Apple 11E personal computer, though the better than expected demand outstripped production, causing temporary shortages at the retail level.

Mr. A.C. Markkula, vice chairman, said the company had stepped up production of the Apple 11E at its U.S. and European plants in order to meet "growing market requirements." He added that the configuration of the 256K Apple 111 had been standardised and prices of the system had been cut following lower component costs and improved manufacturing efficiency.

Apple is to introduce its new personal computer codenamed Macintosh this winter.

It is expected to be Apple's answer to IBM's personal computer, a \$2,000 to \$3,000 machine aimed at a broad range of home, business and educational users. First users of the Macintosh are expected to be students at U.S. uni-

versities, which will buy the computers at substantial discounts. Macintosh is expected to become generally available by next spring.

Like the recently introduced Lisa, Macintosh will have a mouse controller (a form of remote control) and integrated software which allows the user to switch easily from one application to another. It is a 16-bit computer with 64K bytes of usable internal memory. In its basic configuration it will come with one built-in floppy disk drive and a video display with a separate keyboard.

If the Macintosh is a success, it could become Apple's high volume product. Industry analysts speculate that it will replace the Apple III as Apple's small business machine. The price of Apple II E, now selling for just under \$2,400, is expected to be significantly reduced to make it more attractive for home and school use. The company also has a \$500 computer in development.

Details of the Macintosh were leaked in the U.S. this week when Drexel University in Philadelphia announced that it had signed an agreement with Apple to purchase 3,000 units, most of which are due to be delivered by December. The university intends to require all new students to buy one of the computers at a discounted price of \$1,000.

"We will be buying several thousand more in years to come," said Dr. Bernard Sagik, the university vice-president for academic affairs. "We chose the Apple machine because it offers the most attractive user access." The Apple computers will come complete with built-in software.

## Norsk Data to float new issue in U.S.

By Fay Gjester in Oslo

NORSK DATA, the fast growing Norwegian mini-computer company, has sought approval from the Securities and Exchange Commission to float a new issue on the U.S. market. The issue will total at least 1.5m non-voting B shares and possibly up to 2.2m if enough interest is shown by the market.

The issue has been underwritten by a consortium headed by Morgan Stanley & Co., New York.

Norsk Data's Norwegian shares, with a par value of Nkr 20 have recently been traded at around Nkr 240 on the Oslo stock exchange.

## Metzler bank earnings static

By Stewart Fleming in Frankfurt

METZLER, the Frankfurt merchant bank, has reported that it was able to maintain earnings at the high level reached in 1981.

The bank, which reported total assets of DM 691m (\$233m) is active in the merchant banking business and earns around two thirds of its profits from providing banking services.

The bank said that securities business was particularly profitable but that margins in lending were virtually unchanged. The bank said it is seeking to expand its operations in the area of corporate financial advice.

## Solvay returns to black

SOLVAY, the Belgian chemicals group, has clawed its way out of the red for 1982 and is to raise its dividend by one-third.

After-tax profits of Bfr 2.6bn (\$33m), compare with a net loss in

1981 of Bfr 752m. The performance has allowed the dividend to go up to Bfr 200 a share from the Bfr 150 paid in 1981.

The latest profits still leave Solvay a long way short of its peak earnings performance.

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GUARANTEED FLOATING RATE NOTES  
DUE 1990, SERIES 82



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In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 22nd April, 1983 to 24th October, 1983 has been fixed at 9% per cent per annum and that the coupon amount payable on coupon no. 1 due on 24th October, 1983 will be U.S. \$5,010.42.

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APRIL, 1983

## **INTL. COMPANIES & FINANCE**

# **Fokker needs economic upturn to capitalise on fresh confidence**

BY WALTER ELLIS IN AMSTERDAM

A RE-BIRTH of optimism has characterised prospects so far this year at Fokker, the Dutch aircraft maker. Last year was one to forget. Cancelled orders, bulging stocks of unsold aircraft and a net loss of F1 10.2m (\$3.7m) marked out 1982 as a low point in the company's fortunes. Fokker seemed to have run out of ideas as well as cash, and closed a dismal 12 months with the announcement of 1,400 redundancies.

Now there is a stirring in the undergrowth and confidence is returning. The number of workers to be dismissed has been reset at 1,150 and there is talk of the development of an aircraft for the 1990s and beyond. Those old, but unaging workhorses, the F27 and the F28, have been brushed down and re-shod for new markets.

The F-16 assembly line, turning out U.S.-designed fighters for the Dutch and Norwegian airforces, is going well and there is even the chance of a repair and maintenance contract from the U.S. airforce for its own F-16s in Europe.

Fokker has not been so rash as to forecast any return to profit this year. It hopes, however, to break even in 1984 and is confident that it will still be around in the 21st century selling products developed from its own resources.

The company's 1982 results, published last month, show a 4 per cent increase in turnover to F1 1.35bn. The operating

Another major loss charged to the 1982 accounts relates to the redundancies scheme. A F1 35m provision was written in to cover costs and wage supplements involved in the slim-down, and the consequence was a pre-tax loss of F1 16.4m.

As a result of the events of 1982, Fokker's total assets rose from the 1981 total of F1 985m to F1 1,150m. Much of the increase was, however, accounted for by unsold aircraft and, because of the extent of the net loss, no dividend was paid.

That, then, was the position facing management and workers on January 1 this year. Setting things right was bound to prove difficult and, indeed, Fokker has not sought to rush ahead with new plans and ideas.

The slushy of turning lead into gold ships does not function in the world aviation market at the moment, and it was agreed instead to spruce up existing programmes, streamline and pacify the workforce, and look ahead in a realistic fashion to a new project for the 1990s.

Two events may be seen in retrospect as marking the turning point: an order from Garuda, the Indonesian state airline, for ten F28s, and a guarantee by the Government last November against bank loans of F1 60m. The former, though backed by the repurchase from Garuda of older aircraft, kept the production lines going at a vital time while the latter—though not so

F28s have been delivered to 47 operators in 32 countries.

The problem last year was that up to the time of the Garuda placement, more were being stockpiled than were being sold. That situation has now been transformed, and there are firm indications of a number of new orders for both aircraft on the horizon.

Fokker is unwilling to talk about potential orders until they are converted into deliveries. Even so, the mood is

will create marketing problems—especially when added to the 20 bought back from Garuda. Fokker says that good homes can be found for all.

Keeping the F27 and the F28 up to date involves many things, including avionics and the use of lightweight compound materials—the latter a Fokker speciality. But re-engining in this post-conscious age is a key factor. Rolls-Royce has been the main, traditional supplier of engines to Fokker, and the



The two workhorses of the Fokker stable—the F28 and (below) the F27

decidedly less pessimistic than six months ago. For a start, company salesmen have won what they see as an important victory over the British Aerospace BAe-146 in the Australian market. East-West Airlines of Australia recently contracted to buy three F28s of the new Type 4000, the first of which has been delivered from stock.

The contract was won against intense competition from British Aerospace, which needs to sell at least 300 146s if it is to recoup its development costs. Fokker has been extremely worried in recent months about the new British aircraft.

The two companies have been bombarding potential customers with rival claims about reliability and economy. Fokker claims to have won in terms of fuel consumption and maintenance costs, but concedes that the 146 is the quieter of the two aircraft—a significant feature in the 1980s.

Clearly, the fact that Fokker was able to produce its latest models from stock has been of assistance to them with East-West. The Dutch group insists, however, that the F28 is as up-to-date as the 146 and, with two engines against four, is a better bet in terms of maintenance.

East-West has also agreed to purchase six of the latest Mark 500 F27s, and while the trade-in of 10 older F27s

Dutch company's present quest for a new generation of power units means not merely fresh opportunities for the British company but a chance for the competition—basically Pratt and Whitney of the U.S.—to gain a foothold.

On other fronts, Fokker remains associated with the European Airbus joint project through its manufacture of carbon fibre landing doors for the new A300-600 and has, in addition, been making wing parts for the A310.

Routinely, the F16 assembly lines are moving along steadily and are expected to keep rolling well into the 1990s. A U.S. airforce maintenance contract—expected in May—would bring in valuable revenue. Just as important, it would help preserve a skilled workforce now somewhat under-employed, even after job losses.

Looking ahead, Fokker has plans for an advanced turbo-prop airplane, with multi-blade, aerodynamically-designed propellers, which could travel at the speed of a 1980s fan-jet at only half the cost in fuel. It is also engaged in the European satellite project.

Meanwhile, the F27, the F28 and the F16 will keep production going at a tolerable level. All Fokker wants now is an economic upturn.

result was F1 16.8m—the same as in 1981—and there were improvements in each of the various aircraft programmes. What went wrong was the year's interest charges, which surged by 250 per cent, to F1 27m.

Customers, quite simply, were unable to honour their contracts. Some even cancelled at the last moment, leaving hangars crowded with finished aircraft and cash inventories inflated by assets, the value of which was uncertain.

far taken up—demonstrated the Government's confidence in the company.

Cancelled orders—or retarded sales, as the company prefers to think of them—did not, in fact, mean that Fokker failed to sell any aircraft last year. A total of twelve F27s was sold, compared with 16 in 1981, and twenty-two F28s (against 13) 10 of them to Garuda. The total number of F27s sold to date stands at 752, to 160 operators in 61 countries, while 206

## **ADVERTISEMENT**

# **Insights into Japan's Corporate Machine**

No one in the world today can afford to ignore Japan's success. In the past three decades, Japan has emerged from the ruins of war to develop an economy surpassed in size only by the United States in the western world. The decisions and actions of Japanese businessmen now have instant repercussions in boardrooms and on factory floors everywhere.

## **Japan's Success Spawns Rising Conflict Overseas**

To some, the Japanese are a disruptive force in world trade, flooding overseas markets with a narrow range of products—cars, television sets, video tape recorders, computers, etc.—to destroy local industries and jobs. In Europe and the United States, for example, voices are heard demanding a "final reckoning" with Japan on trade issues. There is talk of a "trade war." There are calls for governments to impose import restrictions on Japanese goods. And there are demands for the Japanese to dismantle their import barriers in order to make it easier for American and European companies to sell their products to the 118 million people in Japan's giant marketplace.

To others, the Japanese success story demonstrates just what can be achieved through the sheer effort of a homogeneous work force, supported by a corporate policy that is geared toward long-term growth as opposed to short-term profit, and a commitment to continuous research and development. Japanese companies are now being wooed by their competitors overseas to export their capital and business expertise. The bulk of Japan's television products are now manufactured overseas and the number of video tape recorders produced abroad is increasing steadily. There is a similar trend in the production of cars, motorcycles, microchips for computers... and the list is growing each day.

## **Toward a Better Understanding**

All these developments, for good or bad, require a better understanding of the Japanese. Are they really villains intent on success no matter what the cost to their trading partners? Are they really economic supermen? The Japanese would argue that their image has been grossly exaggerated. Although their approach may be different to some degree from that of their western counterparts, Japan does not have any secret-store of wisdom that is denied to others. When business conditions are bad, Japanese companies go bankrupt too. In fact, the Japanese have lost their competitive edge in many industries. Cheap imports, often from Europe and the United States, have destroyed the profitability of a number of manufacturing sectors. Having once outclassed their competitors in the West, the Japanese now find themselves looking uncomfortably over their shoulder at the challenge from emerging "new Japan" such as South Korea and Taiwan. Japan's once all-conquering shipbuilding and steel industries, to their chagrin, are losing many orders to such competition.

Somewhat belatedly, the Japanese have realised the necessity of creating a better image overseas, and as their business operations become more internationalized, greater emphasis is being placed on better communication between Japan and the rest of the world. How many western businessmen know, for example, that many of the major Japanese trading companies—the notorious "Sogo Shosha" regarded as having spearheaded the powerful Japanese export drive—today actually do more business handling imports or promoting third-country trade and economic development?

## **How Do the Japanese See Themselves?**



Geoffrey Murray, a British journalist who has spent the last two decades in Asia, 14 years of which were spent in Japan, has talked to the men who help keep the Japanese economy healthy. Starting on May 3, the Financial Times will publish a series of advertisements highlighting the results of his findings obtained in interviews with 16 of Japan's top corporations, giving them the opportunity to tell their side of the story. Senior executives will discuss their business philosophy, attitudes toward overseas markets, efforts to internationalize business operations, and how they combine the accumulated expertise of East and West into successful international corporations. They will reveal how they view their own corporate image, especially as it relates to the challenges of the "Information Age," providing details about their efforts to ensure good communication between head office and staff in the field (both Japanese and locally-hired), and to promote a better understanding of Japan.

Whether you regard the Japanese as competitors or colleagues, this fascinating series will provide invaluable insights into their way of thinking and their approach to business.

Watch for the beginning of this informative series of advertisements in the May 3rd issue of

**FINANCIAL TIMES**

This announcement appears as a matter of record only.



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Verens- und Westbank Aktiengesellschaft

March 24, 1983



## UOL sees sharp earnings increase

By George Lee in Singapore

UNITED OVERSEAS LAND (UOL), the major property development associate company of the United Overseas Bank group, has forecast sharply higher earnings for the current year ending December 1983.

Group operating profit is expected to hit \$827.6m (US\$13.2m) against \$817.6m in 1982, while its share of earnings from associated companies will rise to \$53.7m compared with \$56.7m previously.

Adding the profit of \$825.15m from the recent sale of land by its subsidiary, Mount Echo Park, to the United Overseas Bank group pre-tax profit will reach a total of \$885.5m. In 1982, group pre-tax profit was \$818.02m.

Taxation is expected to amount to \$820.4m resulting in a post-tax profit figure of \$835.36m against \$873.5m previously.

UOL's forecast was made in its prospectus for the issue at par of \$815m nominal of 5 per cent convertible ten-year loan stock.

The group disclosed that net tangible assets per share at the end of last year amounted to \$2.93 based on a capital of \$94.63m. However, if all the outstanding subscription rights were exercised in full, the net tangible assets would increase to \$3.14m and net tangible assets per share would decline to \$2.56.

However, UOL added that the net tangible assets per share would rise to \$3.72 and \$3.10 respectively if the surplus arising from the revaluation of its properties not taken up in the accounts were included.

The major portion of the group's turnover comes from the sale of development properties, as reflected in last year's figures. In 1982, 43.6 per cent of turnover came from sale of development properties, 22.4 per cent from gross rental income from investment properties, 26.2 per cent from gross revenue from hotel operations and the remaining 7.8 per cent from other sources.

UOL said that the conversion price of the loan stock into ordinary shares would be fixed at a price equal to the average of the last deal price of its shares on the Singapore stock exchange from April 19 to 23.

## Japan relaxes domestic bond rules

By Yoko Shibata in Tokyo

THE JAPANESE Ministry of Finance has approved the relaxation of rules for domestic convertible bonds with coupon rates of around 4 per cent, thus vying with Swiss franc bonds which currently carry coupon rates of around 3.5 per cent when the foreign exchange rates involved in overseas issues are taken into account.

Under the new rules, Obayashi, the construction company, will receive the go-ahead next month to issue a ¥10bn (\$42.2m) convertible bond. Marui, the stores group, and NEC will follow suit with ¥20bn and ¥30bn issues.

In the fiscal year ended March 1983, convertible bonds issued overseas numbered 75, worth ¥827.3bn, topping domestic convertible issues totalling 46 and worth ¥417.8bn.

This indicates the crowding out of private bonds from the domestic capital market by the massive flotation of government bonds.

Coupon rates on corporate bonds in Japan are linked with long-term government bonds. Because of excessive government issues, long-term interest rates remain high, and consequently Japanese corporations have begun to tap the overseas capital markets. They are particularly going to the Swiss franc market, where coupon rates are 2 per cent lower than in the domestic market and issuing procedures are much simpler.

Since the beginning of this year, Japanese corporations have further accelerated their fund raising in the Swiss

market. Swiss franc denominated straight and convertible bonds in the January to March quarter accounted for as much as 58 (worth \$1.9bn) of the total overseas straight and convertible bond issues (68, worth \$2.6bn).

In sharp contrast, only 63 corporations are planning straight and convertible bonds in the domestic market for the entire fiscal year which started this month—the lowest number ever, according to the Bond Underwriters Association.

As a result, measures to revitalize the domestic issuing market were urged by Japanese securities houses. They are not convinced, however, that the relaxation in rules will result in Japanese corporations doing an about-turn.

## First profits setback for Dai 'ei in seven years

By Our Tokyo Staff

DAI'EI, operator of Japan's largest supermarket chain and the country's largest retailer, has reported its first earnings setback in seven years. Unconsolidated net profits for the year to end February 1983 fell by 36.3 per cent to ¥6.26bn (\$36.5m) from ¥9.83bn (\$59.5m) a year earlier.

At the per share level, the earnings decline translates to a fall from ¥24.75 to ¥22.94, but the company has lifted its dividend by ¥2.00 for a total payout of ¥14.94 against ¥13.75 in the previous year.

Sales showed a modest rise from ¥1.216 trillion to ¥1.332 trillion, with chain store turnover dampened by sluggish economic conditions and by poor demand for seasonal merchandise following an unusually early winter.

Clothing sales declined by 6.2 per cent to account for 23.3 per cent of Dai's overall turnover. Food sales showed a small decline to 34.4 per cent of total turnover, while sales of leisure products made up 10 per cent of the overall figure.

The earnings setback was attributed to heavy interest payments resulting from aggressive expansion of outlets, including the opening of four new stores, remodeling nine unprofitable stores, the acquisition of managerial rights on Ais Maana Shopping Center in Hawaii and opening of department stores in succession through its subsidiary, An Printemps Japan.

Higher sales and administrative costs also affected earnings.

For the current fiscal year, unconsolidated full-year profits before extraordinary items are expected to reach ¥15bn, up 10.7 per cent. Unconsolidated net profits are expected to rise by 4 per cent to ¥6.5bn on ¥1.26bn, up 2.3 per cent.

Japan's fourth largest chain store group, has reported a fall in consolidated net earnings to ¥6.19bn in the year to February 20 1983, from ¥7.5bn in the previous year. Earnings dropped from ¥54.38 to ¥33.35, despite an 8.3 per cent increase in sales, from ¥661.675bn to ¥716.781bn.

## Altech maintains strong growth

By Our Johannesburg Correspondent

ALLIED TECHNOLOGIES (Altech), the broadly based South African electronics and electrical company, maintained its record of strong growth in the year to February 28. Turnover rose by 43 per cent to R26m (\$27.5m) from R20.7m, while the gross profit of R54.5m was 53.4 per cent ahead of the previous year's R35.5m.

The company attributes the year's progress to increased volumes, new leading-edge technology products and prudent asset control. The company's

63 per cent-owned subsidiary, Powertech, which operates in the industrial electrical field, registered a 65.5 per cent pre-tax profit advance to R12.5m, largely due to the acquisition of the Lascon Lighting firm and battery manufacturer Willard. Powertech announced that it is to acquire the South African battery manufacturing interests of Lucas for R2.5m and will make Lucas brand batteries under licence.

High growth rates will continue to be recorded in the electronics industry, particularly in the field of telecommunications, the company believes. Manufacturing facilities have been expanded to cope with the expected growth in demand. The expansion has been achieved without resorting to borrowing and the company debt level remains small. At the end of February, the order book stood at a record R266m against R221m a year earlier.

The dividend has been increased to 80 cents from 65 cents while earnings rose to 361.5 cents per share from 190.1 cents.

## A\$66m CSR property deal

By Michael Thompson-Moel in Sydney

CSR, the Australian sugar, resources and building products group, has clinched one of Sydney's biggest sale-and-leaseback deals with the sale, for A\$66m (US\$57.4m), of its head office complex in the central business district to Farrer Properties.

The shareholders in Farrer Properties are Bank of New South Wales nominees, Perpetual Trustee Company, and Wardley Australia.

The move is designed to boost CSR's working capital—hit by the plunge in commodity prices, and by stagnation in the Australian building sector. CSR's net profit grew by only 0.8 per cent in the six months to last September 30, to A\$42.8m.

## Filipino phone group ahead

By Emilia Tagawa in Manila

PHILIPPINE Long Distance Telephone (PLDT), owner-operator of more than 90 per cent of the telephones installed in the Philippines, last year recovered from declining profits. Net income for 1982 rose by 6 per cent to 218m pesos (\$23m), from 205m pesos in the previous year. This compares with an 18 per cent profit decline in 1981.

The total cost of the bid to Nampak is R3m. Premier Paper shareholders have the option of converting their holdings into Nampak shares at a conversion price of 1,250 cents.

## Nampak raises interim dividend

By Our Johannesburg Correspondent

NAMPAR—South Africa's largest packaging company and an indirect subsidiary of the Bata Group—saw first-half turnover rise by 9.6 per cent to R51.7m from R46.9m in the six months ended March 31. Interim operating profit before interest and tax, and calculated after 1.1% accounting adjustments, was 9.4 per cent ahead at R48.9m (\$44.9m) against R44.7m.

In the year ended September 30 1982 turnover was R602m and operating profit R87.1m. Mr Bas Kardoel, chairman, said

selling prices could not be increased to keep pace with raw material and other cost rises, but operating profit benefited from productivity improvements, cost control and further rationalisation. Provided economic conditions did not deteriorate further, this year's profits would be greater than those of financial 1982, he said.

An interim dividend of 32 cents has been declared from earnings of 79 cents a share. The first half of last year resulted in an interim dividend of 28 cents and earnings of 68 cents a share, while the year to September 30 1982 resulted in earnings of 143 cents and a total dividend of 60 cents.

Nampak is bidding 975 cents a share for the 14 per cent of outstanding ordinary shares it does not already hold in its 86 per cent-owned subsidiary Premier Paper, which produces tissue wadding and packaging paper. It is also offering 273 cents a share for the convertible preference shares it does not own in Premier.

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## NORTH AMERICAN QUARTERLY RESULTS

ANAC				HOLIDAY INN			
First quarter	1983	1982	\$	First quarter	1983	1982	\$
Revenue	54.5m	54.5m		Revenue	346.3m	322.5m	
Net profit	1m	6.7m		Net profit	22.4m	30.8m	
Net per share	0.06	0.45		Net per share	0.39	0.49	

BIO THREE INDUSTRIES				KIDDE			
First quarter	1983	1982	\$	First quarter	1983	1982	\$
Revenue	16.2m	16.2m		Revenue	284.1m	284.1m	
Net profit	13.2m	23.2m		Net profit	21.1m	20.8m	
Net per share	0.31	0.53		Net per share	1.00	0.99	

CIBEMA AIRCRAFT				NATI DISTILLERS			
Second quarter	1983-83	1981-82	\$	First quarter	1983	1982	\$
Revenue	121.1m	232.8m		Revenue	15.1m	15.1m	
Net profit	71.2m	6.7m		Net profit	0.3m	0.3m	
Net per share	10.07	0.36		Net per share	0.39	0.39	

COMMONWEALTH FORD				NORTHWEST BANCORP			
First quarter	1983	1982	\$	First quarter	1983	1982	\$
Revenue	401.5m	401.7m		Revenue	13.2m	14.5m	
Net profit	28.9m	31.8m		Net profit	36.7m	25.8m	
Net per share	0.81	0.91		Net per share	1.30	0.97	

CITY INVESTING				NORTH STAR			
First quarter	1983	1982	\$	Third quarter	1982-83	1981-82	\$
Revenue	1.37m	1.36m		Revenue	688.1m	688.1m	
Net profit	0.67	0.84		Net profit	28.1m	28.1m	
Net per share	0.67	0.84		Net profit	0.30	0.30	

COMMONWEALTH EDISON				OLIN CORP			
First quarter	1983	1982	\$	First quarter	1983	1982	\$
Revenue	1,000m	1,020m		Revenue	473.1m	488.7m	
Net profit	163.5m	127.4m		Net profit	22.5m	22m	
Net per share	0.81	0.80		Net per share	0.95	0.93	

DUN AND BRADSHAW				PARKER-HANFORD			
First quarter	1983	1982	\$	Third quarter	1982-83	1981-82	\$
Revenue	380.3m	357.8m		Revenue	28m	29.1m	
Net profit	37.1m	31.2m		Net profit	7.4m	15.6m	
Net per share	1.32	1.11		Net profit	0.30	0.62	

ETHYL CORP				TEXTRON			
First quarter	1983	1982	\$	First quarter	1983	1982	\$
Revenue	385.5m	402.7m		Revenue	717.7m	773.8m	
Net profit	25.5m	17.1m		Net profit	22.3m	20.8m	
Net per share	0.49	0.43		Net per share	0.90	0.87	

FMC				UNITED CABLE TELEVISION			
First quarter	1983	1982	\$	Third quarter	1982-83	1981-82	\$
Revenue	83.7m	84.8m		Revenue	38.8m	34.3m	
Net profit	31.5m	32.5m		Net profit	11.2m	5.04m	
Net per share	0.54	0.56		Net per share	10.10	0.46	

FURNIFAB				WASHINGTON POST			
First quarter	1983	1982	\$	First quarter	1983	1982	\$
Revenue	480.2m	481.5m		Revenue	198.5m	182.1m	
Net profit	116.3m	110.7m		Net profit	8.15m	5.1m	
Net per share	11.67	11.07		Net per share	0.45	0.36	



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Some key Interbank figures as of 31st Dec. 1982 (unaudited):

Total Deposits:	TL. 43,713,443,000
Total Assets:	TL. 65,959,007,000
Shareholders' Equity:	TL. 3,039,674,000

Share Capital increased to TL. 4,000,000,000 (TL. 2,242,000,000 paid up at March 31 1983)

**INTERBANK**  
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## UK COMPANY NEWS

## Dunlop incurs loss and passes final

Continuing problems in the European tyre market pushed Dunlop Holdings into the red for 1982 and the final dividend is being omitted, leaving the 2p net interim to stand against last year's total of 4p.

The company incurred a £7m pre-tax loss, compared with a break-even position last time, while the attributable loss of £5m was almost double the £1m of 1981.

The taxable result represents a second-half downturn from profits of £3m to losses of £11m, for at halfway the swing was in the opposite direction, a surplus of £4m compared with a £3m deficit.

Sales for the 12 months pushed ahead from £1,463m to £1,533m but, after depreciation of £40m (£38m), operating profits fell from £52m to £41m. From this higher finance charges took £56m (£45m), although there was a contribution of £8m from associates and investment income, against a £7m loss previously.

Tax absorbed £31m (£29m) for a 36.7p (20.4p) loss per 50p share and below the line there were also charges of £14m (£12m) for minority profits and £25m (£nil) for extraordinary debits.

Following the marked deterioration in the second half of 1982, the directors report that results for the early months of 1983 are below those for the corresponding period.

They emphasise that, despite restructuring and cost reduction programmes in recent years, the group's main problem remains tyres in Europe, a strengthening performance in Germany being offset by continuing difficulties in France, the UK and Ireland.

Measures to improve the position have been, and remain, a major task with further radical action to be taken, the directors state.

On the other hand, they add, profits from other products in the UK are improving and market conditions there are favourable with the result that the cost improvements made last year are being increasingly reflected in profit margins.

A number of overseas subsidiaries notably the U.S. are performing well and overseas profits are higher than for the same

## HIGHLIGHTS

Lex today looks at Dunlop Holdings which has produced a £7m pre-tax loss for 1982 on revenues of over £1.5bn, compared with break-even in the previous year. The setback comes in the wake of severe competition for its European tyre operations. The column goes on to look at the figures from F. W. Woolworth where an underlying fourth quarter trading improvement has been hit by heavy interest payments. Also considered at the Public Sector Borrowing Requirement for the latest fiscal year that are worse than suggested by the recent Central Government Borrowing Requirement figures and place some question marks over the 1983/84 total. The column goes on to consider the chemicals industry in the light of yesterday's very bullish statement by the chairman at the annual meeting of ICI, and encouraging second half figures from Laporte Industries, which sent the sector rising to new heights.

period of the previous year, despite adverse trading conditions. Changes in the group have resulted in the inclusion in 1982 of the sales of Dunlop SA, France, now a subsidiary, and the exclusion of the sales of Dunlop India, now an associate and of Dunlop Estates Berhad which has been sold.

After eliminating the effect of these changes, the value of sales in 1982 was 3 per cent higher than in 1981. The pound equivalent of overseas sales was £1,030m, 5 per cent higher, sales by the UK companies were £498m, unchanged, and the value of exports from the UK was £125m, a decrease of 3 per cent.

If the 1981 profit is adjusted to reflect the changes in the group, profits for 1982 would not be materially different from those for 1981. In the second half of 1982, operating profit was £12m, a marked deterioration as compared with the £25m made in the first half.

The directors report that in the UK the rate of loss in the tyre business increased sharply in the second half, mainly because of continued price erosion coupled with the need for short time working to balance supply with market requirements which were affected by rising imports.

However, the total loss for the year was less than in 1981. The industrial group improved its profits from the level of the

previous year, profits in engineering were lower, the loss in the consumer businesses was reduced but sports incurred a small loss.

They say recessionary conditions also persisted throughout the year in the other EEC countries. Increased operating losses were suffered by Dunlop France. However, the German company earned a profit.

Africa overall maintained profits and Dunlop SA had another record year. Although the Nigerian company made a loss, substantial progress was made in turning it round and it was operating at break-even by the end of the year.

The U.S. company's profits showed an improvement as did the subsidiaries in New Zealand and Trinidad. Profits in the Malaysian subsidiaries were maintained at the previous level.

Some £7m of the £11m increase in financing charges arose from changes in the status of the French and Indian companies.

As already announced the agreements with Pirelli Malaysia for the sale of Dunlop Malaysian Industries have been modified. As the agreements are still subject to the consent of the Malaysian Foreign Investment Committee, DMB remains a subsidiary. When this consent is received an extraordinary profit of around £25m will arise and a net consideration of £55m becomes due to Dunlop.

The total dividend is raised from 2.5p net to 3.25p net an increased total of 5p (4.5p). There was a tax credit of £3,000 against a debit of £76,000. Nothing was transferred to reserves against £52,000 last time, and extraordinary credits totalled £8,000 (debit £2,000). Stated earnings per 25p share fell from £1.65p to £1.00p, and net asset value per share was unchanged at £1.22p at book value, and down from £1.25p to £1.20p at market value.

## 15TH MAY 1983 REDEMPTION

## PROVINCE OF NOVA SCOTIA (CANADA)

## U.S. \$15,000,000 9% Bonds 1985

## DRAWING OF BONDS

Notice is hereby given that a drawing of bonds of the above loan took place on 7th April 1983 attended by Mr. Keith Francis Croft Baker of the firm of John Venn & Sons, Notary Public, when 1,500 bonds for a total of U.S. \$15,000,000 nominal capital were drawn for redemption at par on 15th May 1983, from which date all interest thereon will cease.

The nominal amount of this loan remaining outstanding after 15th May 1983 will be U.S. \$3,000,000.

The following are the numbers of the bonds drawn:

26	35	44	81	85	89	91	92	105	109	123	127	129	137	156	158	159	170	174	176
187	189	190	192	197	213	228	247	264	267	268	278	286	289	291	299	315	317	318	321
330	333	336	337	343	351	359	368	374	377	379	411	414	432	447	448	454	464	465	466
469	470	481	503	508	512	519	525	536	537	540	546	564	568	595	601	610	616	621	636
665	672	675	680	684	703	719	726	733	773	780	798	808	826	828	833	838	859	867	870
876	879	887	892	899	907	910	913	940	971	973	987	1004	1008	1010	1016	1028	1030	1035	1039
1050	1068	1070	1080	1089	1101	1115	1118	1119	1126	1134	1159	1160	1164	1167	1174	1180	1222	1223	1230
1233	1242	1259	1268	1270	1276	1279	1285	1286	1292	1294	1310	1318	1336	1341	1343	1355	1369	1375	1392
1413	1422	1437	1444	1448	1451	1454	1462	1472	1502	1526	1539	1542	1558	1562	1574	1581	1595	1603	1630
1642	1649	1671	1683	1693	1704	1707	1709	1712	1714	1722	1726	1730	1736	1768	1769	1771	1776	1777	1785
1787	1790	1791	1797	1803	1804	1809	1815	1816	1828	1843	1868	1878	1888	1888	1888	1893	1893	1902	1902
1901	1915	1919	1921	1928	1932	1936	1940	1941	1947	1960	1966	1979	1982	1984	1985	1992	1996	2016	2017
2053	2061	2073	2079	2083	2085	2086	2091	2095	2122	2128	2135	2138	2144	2166	2173	2180	2183	2191	2200
2202	2205	2214	2215	2224	2235	2256	2259	2274	2288	2294	2303	2306	2324	2341	2350	2358	2363	2373	2391
2397	2399	2412	2418	2456	2467	2472	2482	2500	2512	2532	2542	2543	2544	2546	2546	2546	2554	2567	2567
2571	2581	2587	2593	2606	2608	2613	2626	2635	2638	2659	2667	2677	2680	2681	2688	2699	2707	2710	2713
2726	2751	2745	2751	2766	2775	2790	2792	2804	2812	2820	2823	2834	2853	2858	2861	2868	2872	2881	2888
2920	2935	2944	2946	2948	2952	2959	2977	2978	2991	2996	3006	3009	3013	3034	3035	3042	3048	3061	3068
3084	3087	3089	3099	3100	3104	3109	3120	3138	3140	3159	3164	3163	3173	3175	3178	3190	3195	3194	3194
3202	3227	3265	3267	3280	3286	3295	3300	3332	3337	3369	3381	3394	3397	3405	3407	3415	3428	3428	3428
3475	3480	3496	3512	3520	3540	3544	3552	3590	3598	3601	3606	3610	3629	3634	3644	3647	3678	3697	3733
3756	3759	3765	3763	3772	3794	3804	3825	3828	3832	3836	3841	3846	3851	3852	3871	3873	3878	3880	3884
3889	3908	3909	3914	3916	3922	3923	3924	3939	3970	3975	3976	3984	3986	3992	3997	4027	4033	4038	4046
4047	4051	4057	4063	4066	4067	4083	4085	4094	4096	4101	4112	4116	4141	4150	4153	4156	4160	4163	4169
4171	4177	4191	4197	4202	4205	4210	4214	4227	4236	4240	4246	4250	4278	4297	4314	4316	4341	4348	4362
4385	4396	4402	4421	4422	4424	4427	4438	4453	4456	4474	4483	4485	4491	4492	4502	4508	4509	4521	4544
4552	4562	4567	4572	4593	4605	4604	4641	4652	4658	4662	4681	4697	4718	4741	4751	4756	4764	4766	4776
4777	4779	4803	4808	4819	4820	4823	4842	4848	4853	4857	4881	4873	4883	4892	4895	4898	4924	4929	4932
4955	4934	4936	4941	4950	4963	4986	4999	5001	5010	5027	5036	5045	5067	5078	5099	5114	5118	5123	5124
5147	5153	5159	5166	5175	5183	5197	5208	5209	5215	5223	5231	5239	5245	5256	5268	5267	5279	5285	5285
5324	5337	5344	5345	5359	5388	5410	5417	5418	5447	5449	5455	5463	5470	5471	5479	5483	5491	5493	5494
5510	5523	5524	5537	5548	5558	5573	5576	5588	5607	5611	5617	5623	5629	5643	5657	5660	5670	5674	5676
5684	5686	5711	5746	5770	5774	5802	5810	5819	5829	5840	5862	5864	5879	5883	5894	5900	5911	5915	5966
5982	5987	6007	6027	6045	6089	6098	6099	6103	6104	6106	6111	6116	6122	6130	6139	6144	6154	6155	6164
6168	6171	6183	6193	6204	6215	6225	6238	6241	6243	6245	6253	6261	6267	6269	6272	6277	6284	6292	6319
6325	6327	6342	6357	6367	6378	6380	6382	6389	6396	6459	6467	6481	6492	6502	6525	6534	7107	7114	7127
7151	7162	7172	7185	7184	7185	7189	7192	7196	7211	7220	7223	7242	7244	7248	7271	7307	7322	7344	7344
7350	7367	7390	7396	7398	7399	7404	7409	7411	7413	7426	7461	7463	7472	7493	7499	7500	7508	7541	7542
7568	7572	7575	7585	7611	7620	7622	7623	7632	7644	7645	7646	7650	7661	7673	7680	7710	7737	7743	7734
7753	7759	7785	7771	7778	7780	7797	7814	7813	7828	7834	7843	7844	7848	7866	7868	7880	7885	7889	7900
7905	7916	7935	7945	7946	7962	7965	7970	7972	7986	8000	8011	8015	8016	8019	8023	8025	8027	8028	8070
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8196	8224	8226	8229	8233	8234	8255	8239	8245	8247	8257	8259	8275	8276	8277	8279	8281	8283	8291	8294
8301	8306	8318	8318	8324	8328	8328	8342	8346	8350	8356	8376	8381	8387	8389	8408	8417	8422	8448	8469
8487	8499	8506	8514	8516	8520	8521	8525	8528	8530	8535	8559	8559	8567	8587	8593	8604	8611	8651	8652
8651	8659	8659	8664	8669	8674	8678	8681	8683	8687	8688	8693	8694	8698	8698	8698	8698	8698	8698	8698
8731	8948	8955	8955	8970	8976	8978	8984	9003	9005	9022	9064	9066	9067	9101	9102	9103	9104	9107	9109
9160	9187	9188	9205	9207	9215	9217	9241	9253	9273	9277	9281	9282	9283	9295	9507	9309	9517	9330	9557
9345	9364	9578	9592	9595	9396	9409	9414	9424	9445	9452	9461	9462	9476	9484	9488	9495	9490	9492	9309
9535	9541	9548	9551	9566	9574	9577	9583	9609	9616	9618	9618	9623	9637	9659	9643	9646	9671	9678	9683
9699	9703	9711	9712	9718	9722	9730	9752	9734	9736	9740	9743	9749	9781	9786	9796	9800	9812	9814	9848
9862	9863	9865	9867	9895	9905	9919	9925	9921	9944	9954	9959	9959	9967	9973	9974	9980	9989	9990	9993
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10000	10000	10000	10000	10000	10000	10000	1000												



*Greater efficiency and reduced costs led to improved margins, resulting in record profits in an eventful and exciting year. Operational changes were made and important new initiatives taken for the future.*

# 'A year of achievement and change' at London Brick

*Jeremy Rowe, CBE, Chairman*

## EXTRACTS FROM THE CIRCULATED STATEMENT BY THE CHAIRMAN

For London Brick the year was one of achievement and change. Achievement because we reaped the rewards of steps taken earlier to cut costs and increase efficiency. Change because during 1982 we changed the way in which we operated and took important new initiatives for the future.

The pre-tax profit for the year at £15,328,000 was 37% up and was a record for the Company. It was obtained on only a modest increase in turnover and at a time of continuing recession in most of our markets. We are proposing to capitalise part of our reserves through a one for one bonus issue to bring the authorised capital more into line with the underlying value of the business and demonstrate the Board's confidence in the future.

How did we achieve this better result? Whilst in 1981 it was the subsidiary companies who cushioned the effect of the fall in brick sales, in 1982 it was bricks that largely made the running. The recovery here came from concentrating our production on a smaller number of more efficient works. As a result, margins benefited from lower cost and greater efficiency.

At the half year we changed the way in which we operated. London Brick PLC became the parent company for the Group and, in addition to the existing subsidiaries, three new operating companies were formed - London Brick Engineering Limited, London Brick Property Limited and London Brick Products Limited. Within the old parent company we had two departments originally formed to service our brick production which had grown to important activities in their own right. One was Engineering and the other was Estates. To make the best use of assets it seemed sensible to make them into profit centres and to allow them the opportunity of standing on their own feet. At the same time the brickmaking activity had to be allowed to organise itself so that its management could concentrate solely on the efficient production, marketing and distribution of their products at a time of intense competition. The formation of the new operating companies also allowed us to involve line management more closely in the day-to-day generation of profit, whilst freeing those at the centre to concentrate on the overall direction and expansion of the Group as a whole. The experience to date is encouraging. The management involved are already producing fresh ideas and a healthy enthusiasm for profit.

The change in corporate structure does not imply that we are seeking to become an industrial conglomerate. We remain primarily brickmakers and two new initiatives taken during the year related to widening our interests in the brick industry.

The first of these was our decision to invest in Brick and Pipe Industries of Melbourne, Australia, a company we know well and whose interests are largely similar to our own. The exchange of information and expertise will benefit both companies, whilst our financial support will assist Brick and Pipe's further expansion.

Secondly, we negotiated an agreed merger with Ibstock Johnson PLC, the only major independent brickmaker in the non-fletton field. The merger proposal has lapsed because, following a counter bid from Redland PLC, the two offers were referred to the Monopolies and Mergers Commission for investigation. Whatever the outcome, and we shall not know until later this year, the commercial logic of the merger has not been questioned. Nor do we believe it is contrary to the public interest.

In an eventful and exciting year, we have once more benefited from the loyalty and good sense of our management and staff. Might I take this opportunity of thanking them most sincerely for their contribution to what has proved a successful year.

*Jeremy Rowe CBE*

## REVIEW OF OPERATIONS

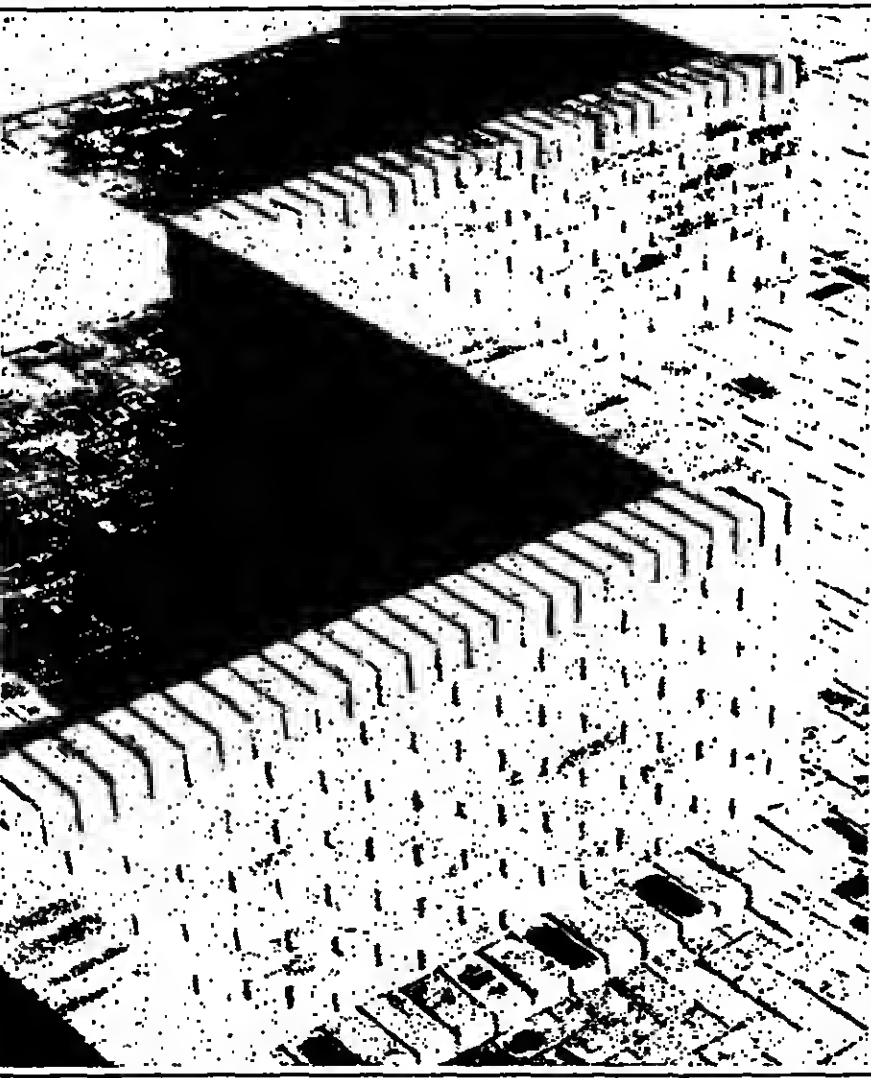
### London Brick Products

Under the new structure the responsibility for the manufacturing and marketing of brick, and other clay products passed to London Brick Products Limited, the largest of the new subsidiaries. The company has twelve brick plants and provides employment to more than 5,000 people. In addition to its extensive manufacturing capabilities it has a nationwide sales force, comprehensive distribution facilities and an experienced research and development team.

overall progress of London Brick Products.

A further feature was the increasing flow of information provided by London Brick Products to its customers and specifiers. A number of brochures were issued to promote the different ranges of bricks, followed by literature offering specialist advice and the introduction of a regular news sheet designed to keep customers up to date with the latest developments.

Technical advisory services to customers were increased during 1982 with



An end to the fall in housebuilding activity was a feature of the year with an increase in housing starts showing through in both the private and public sectors. In order to ensure a more firmly based recovery it will be necessary to both maintain the downward trend in interest rates and to sustain the level of mortgage lending. If this can be achieved and is accompanied by greater confidence in the economy as a whole, the prospect for new housebuilding will be much more encouraging.

In other sectors of construction, the growth in private commercial building was compensated for by a further reduction in industrial building.

Generally therefore there was little increase in overall activity and brick deliveries remained depressed. Only at the year end were there real signs that the underlying demand was beginning to improve.

The reduction in volume had been foreseen and had led to the decision to close older works and concentrate production on a smaller number of the more efficient plants. Production costs were reduced and the lower level of output enabled brick stocks to be lifted from the ground. Stocks are now at a more reasonable level to match both current deliveries and the expectation of a higher level of demand in 1983.

A number of major steps were taken during 1982 to offer customers improved and extended product ranges, backed by information services on their application. One of the most significant features was the addition of three new bricks to the Oxford Clay fletton range, all of which are proving popular with specifiers and builders alike.

Additional products have been added to the Clockhouse range which provides bricks of a traditional, handmade appearance at a competitive price. The Wedd Clay Clockhouse range is now making a welcome contribution to the

appointment of a Technical Advisory Officer being part of a strengthened Research and Development department which is placing particular emphasis on developing existing brick ranges and investigating the potential for the raw material.

The department's work on production continued with a number of developments, including the extension of quality control methods and the provision of additional guidelines for operational procedures used in brick manufacture. This forms part of a concerted programme with the dual objective of improving still further both the finished quality of the company's products, and the efficiency of the brick-making process.

### London Brick Landfill

London Brick Landfill is an acknowledged leader in the separate but closely related fields of waste disposal and land restoration. The company offers a secure long-term and comprehensive waste collection and disposal service, and in doing so provides fill for the important task of restoring worked-out clay pits for agriculture or other productive use. During 1982 Landfill continued along its proven path of success, consolidating its position at the forefront of waste management services and land reclamation, and contributing to the growth of the Group as a whole. Further progress was made in long-term negotiations with Local Authorities and other organisations which could provide considerable scope for expansion in years to come.

The facilities provided by the company to industry continued to expand with concentration on the Rear End Loader vehicle, and the wide range of equipment already available from the company was supplemented by the Easiscart, a new wheeled two cubic yard container of particular interest to smaller businesses.

London Brick Landfill and London Brick Property are co-operating with the Department of Environment during investigations into the remote disposal of spoil from the proposed Vale of Belvoir collieries.

A further benefit of the restoration process practised by the company is the opportunity for the recovery of energy by collecting landfill gas containing a high proportion of methane. The company is now conducting methane extraction on a limited commercial basis, and at Stewarby the gas has been used in fire some nine million bricks. Development work into this unique and interesting energy source continues and the resulting expertise is soon to be made available by London Brick Landfill to external clients, thus providing yet another additional base for the continuing expansion of its future activities.

### London Brick Property

London Brick Property Limited was formed to own and manage all London Brick lands, apart from those permanently occupied by other subsidiaries. It is charged with achieving maximum potential from this resource by overseeing its use from initial agriculture through excavation and restoration to its permanent after-use for agriculture or other purposes. The new subsidiary has taken over the responsibilities and employees of the former Estates Department, who over the years have assembled a skilled team of architects, surveyors, land agents and valuers, backed by an experienced labour force. All are now available to provide services not only to London Brick, but to outside clients as well.

The company's subsidiary, London Brick Farms achieved a satisfactory year continuing to gain benefit from advances in agricultural technology and despite difficult weather had a sound and encouraging start to 1983.

The largest source of London Brick Property's external income is currently provided by the agricultural holdings let by the company. As a result of its well established policy of investment in equipment and buildings, it was possible during 1982 to obtain a higher than average return from many of the farms that were let. Some of the land held by the company offers considerable potential for industrial or commercial development.

As part of its programme for a comprehensive balance of land use, London Brick Property promote the use of distinctive areas suitable for conservation. During 1982 the subsidiary continued an extensive planting programme of many thousands of trees, and was responsible for the formation of two additional nature reserves in Peterborough and in the Marston Vale.

### London Brick Engineering

The skills and resources of London Brick's engineering section were made available to external customers following the formation of London Brick Engineering. Although its brick-making sister company remains a large and valued customer, Engineering is now better able to offer outside consultancy and engineering services, both at home and abroad.

Since its involvement with the design and construction of a brick factory for the Middle East, it has actively sought similar contracts and is negotiating for a contract to design and build a £5.5 million brick factory for the African nation of Swaziland.

Other ventures undertaken by Engineering overseas have included the provision of consultancy services to one

of Australia's leading brickmakers, in Sydney. Discussions also took place in Egypt, India, Africa and Europe for the provision of a variety of services and equipment, including the manufacture, under licence, of London Brick engineering plant. A number of opportunities may also be offered to it for work in Spain, Ghana and the USA following the company's participation in Inter-ceramex, a major British ceramic machine exhibition.

The unique skills which London Brick Engineering has built up from its long and close liaison with the fletton brick industry were also well employed during the year to provide a wide variety of services to London Brick Products. These included the design of a unique £500,000 hopper/kibbler for the new Quest pit at Stewarby, and the manufacture and installation of six facing machines to increase facing brick capacity at three brickworks. A major project was the reconstruction of the Arisey brick factory to provide manufacturing facilities for the new Gault range of simulated handmade bricks. The company also continued with developmental work on production and facing methods, and on detailed research into the construction and maintenance of kilns.

### Banbury Alton

Banbury Alton consists of a number of companies in the home improvement, garden products and prefabricated building fields.

Against a difficult economic background, Banbury Alton made progress. The programme of changes which had been planned was implemented during the year, and whilst losses were not eliminated they were reduced.

The largest subsidiary of Banbury Alton has continued to suffer from losses in its Home Improvement Division. It has been decided to accept an offer for this company which will relieve us of a business which has been a burden to the Group for a number of years.

### Croydex

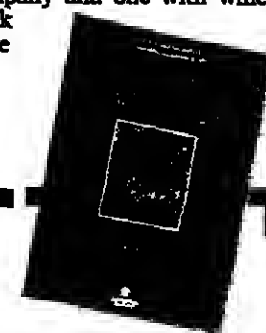
Croydex manufactures and markets a wide range of household products for use in the bathroom, kitchen and garden. Despite depressed market conditions both at home and abroad, the company continued to make steady progress and had a satisfactory year.

### London Brick Australia

The friendly relationship that London Brick has enjoyed with brickmakers in Australia resulted during 1982 in the company acquiring a 19.9% holding in Brick and Pipe Industries Limited of Melbourne. The move was welcomed by our Australian friends and two London Brick directors subsequently joined the Board of Brick and Pipe.

Although the Continent has not escaped the effects of the world-wide recession, and housebuilding is currently in the doldrums, the great mineral wealth and increasing population should ensure longer-term growth in construction.

Brick and Pipe Industries are the leading brickmakers in Victoria and South Australia, producing a wide range of extruded pressed and hand-made bricks. They are a well-managed and efficient company and one with which London Brick is proud to be associated.



To: The Secretary,  
London Brick PLC,  
12 York Gate, Regents Park,  
London NW1 4QL.  
Please send me a copy of the 1982 Annual Report.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_

FT



This announcement appears as a matter of record only.

## WORLD AUDIO VISUAL ENTERTAINMENT PLC

(Registered in England under the Companies Acts 1948 to 1981 No. 1628077)

placing of

600,000 Ordinary Shares of 10p each at 20p each

and

£4,800,000 14% Subordinated Unsecured Loan Stock 1988/1992 at par

arranged by

Henry Ansbacher & Co. Limited  
One Noble Street,  
London EC2V 7JH

James Capel & Co.  
Winchester House, 100 Old Broad Street,  
London EC2N 1BQ

## A new venture in Children's TV

World Audio Visual Entertainment PLC is a new independent television production company. Its first venture is planned to be the production of The Children's Series, for sale internationally, of 390 half-hour episodes.

The series, which is already in pre-production, will make use of both live and library material in a magazine format, to explain and explore the world of natural phenomena, human behaviour and technology, and will have both entertainment and educational value. The format allows for the use of different languages and different hosts, which will enable programmes to be tailored for the individual requirements of the regional stations buying and transmitting the programme.

## WORLD AUDIO VISUAL ENTERTAINMENT PLC

500 Chesham House, 150 Regent Street, London W1R 5FA Telephone: 01-439 6288

## Camrex dips as depression deepens

TAXABLE PROFITS of Camrex (Holdings), the specialised coatings manufacturer, and corrosion engineer and contractor, dropped from a restated £537,000 to £502,000 for 1982, following the £32,000 rise to £218,000 reported at mid-year. Turnover dipped from £18.67m to £18.09m.

The directors explain that the depression in the group's major markets, especially in marine, was much deeper than anticipated with a large proportion of world shipping lying idle.

This condition persists and, although there are a few hopeful signs, real recovery is likely to be delayed, they state.

Reflecting a reduced tax charge of £26,000 (£38,000) earnings per 20p share improved from 5.19p to 6p. The dividend is a same-again 4.02p net with an unchanged final of 2.38p.

In accordance with revised accounting requirements for associated companies, the group has consolidated its share of results of Dufay Bimastec for the first time and the figures for the previous year have been restated to reflect this adjustment.

## Maclellan profits slip

Lower pre-tax profits—£317,000 against £339,000—were reported by F. and W. Maclellan, engineer and supplier, for 1982. The total dividend is raised from 1.43p to 1.5p with a final up from 0.93p to 1p net.

Turnover showed a modest increase from £5.62m to £6.68m. Tax rose from £9,000 to £63,000, and there was an extraordinary debit of £116,000 (£108,000). Stated earnings per 20p share were lower at 3p compared with 3.9p.

The directors point out that the results have been prepared on a merger accounting basis in accordance with proposals made by the Accounting Standards Committee. Consequently, the results of A. Spalding and Son (merger at the end of July 1982) and Scott Whitaker Associates (merger at the end of December 1982) are included for a full year in 1982 and in the comparative figures in 1981.

## UK COMPANY NEWS

## Owen Owen £1.65m in red but dividend held at 3p

ADVERSELY AFFECTED by its Canadian stores, since sold, pre-tax losses of Owen Owen sharply increased to £220,000 in 1981/82 to £1.65m for the 12 months to January 29 1983.

The dividend, however, is maintained at 3p net per 20p share by a same-again final of 2.2p.

G. W. Robinson Company, the group's Canadian stores subsidiary, incurred losses of £235m at the pre-tax level up to its disposal, compared with £220,000 for the previous year.

Below the line, the directors explain that £220,000 (included in extraordinary items) for the loss on the disposal in December of the shares in G. W. Robinson Company.

They explain that since both the amount of consideration to be received from the disposal and December of the shares in G. W. Robinson Company.

They explain that since both the amount of consideration to be received from the disposal and the timing of its receipt are uncertain, they made the provision to write the full book value of the Robinson shares previously held.

It is pointed out that credit for any sale consideration will be taken as and when it is received.

Group sales, including VAT,

rose to £131.6m (£127.77m) and were made up as to UK stores and Plumb Contracts, the group's contract furnishing division since sold to its management, £97.8m (£92.85m) and the Canadian stores to disposal date, £33.8m (£34.92m).

The UK stores and Plumb Contracts made profits of £477,000, compared with £900,000 in 1981/82.

There were tax credits for the year under review of £81,000 (£74,000) and extraordinary debits totalling £2.63m (£265,000 credits), leaving the available deficit at £4.2m (£343,000 surplus).

The UK stores showed the expected second half improvement which was sufficient to reverse the increased first half loss. This included the first spring season loss in Basingstoke, and leaves the stores' full year results much in line with those of the previous year.

Trading in the UK stores in the first two months of the current year has been "satisfactory."

The sale of Plumb Contracts was completed earlier this year for an amount broadly equivalent to its net asset value.

comment

Owen Owen's pre-tax losses, from

Canada were even larger than expected and are likely to total for the group around £2.5m on an inflation-adjusted basis. But the price rose 3p to 172p where the yield is 2.5 per cent. After 21 unhappy months as the sole owner of Robinson's nine department stores in the shadow of a severe recession, Owen disposed of the company in December and suffered a haemorrhage to its net asset value of only 40p per share. Thus the group's maintaining net asset value of 225p per share on an HCA basis or around 600p using OCA continues to provide the main prop to the share price. But there are other encouraging signs. Owen Owen's bank overdraft has been cut from £7.5m in January 1978 to about £1.5m. Its UK workforce has been reduced by a further 10 per cent to around 1,300 and sales in February and March were up by 7 to 8 per cent over 1982 (although this has been less than for other retailers). Of the company's 21 UK stores, the six in the West Midlands have been suffering the most, but only the two recent arrivals in Bedford and Basingstoke are suffering operating losses.

## M. Y. Dart shows £0.62m losses

AT £619,000, the taxable loss of M. Y. Dart for 1982 shows a sharp increase over the £235,000 incurred for the previous 12-month period.

The latter result included a profit made in the first six months which was erased by a £749,000 deficit for the calendar year 1982.

For the 12 months under review, no interim dividend of 0.1p net was paid to maintain trustee status and, as the final payment is now being passed, this is left to stand against an adjusted 20p total for the 12 months to the end of 1982.

On current trading and prospects, the directors say that the much needed upturn in demand has been slow to materialise, both at home and abroad, and that improvements as occurred in early 1983 were not generally sustained.

However, rationalisation measures which have been implemented, although costly in reported profits, are now to a large extent completed. Therefore, as this manufacturer of sports equipment, packaging materials and pyrotechnics pro-

ceeds in building up its various businesses, the directors say they feel confident that, in most areas, the group will achieve a return to profits in 1983.

Turnover for 1982 totalled £24.63m (£26.38m for 18 months) and trading profits amounted to £1.7m (£2.07m). From this, interest took £600,000 (£1.5m), depreciation £765,000 (£1.15m), and there was also an exceptional charge this time of £132,000.

Tax took £147,000 (£91,000) for losses per share of £1.38 (adjusted) pre-extraordinary items and 3.73p (1.45p) fully diluted. The extraordinary charges amounted to £28,000 compared with credits of £195,000 and, with minority profits at £1,000 (£8,000), increased the attributable deficit to £555,000 (£113,000).

On a CCA basis the pre-tax loss is shown at £1.07m (£0.98m). The balance sheet at the year end gives shareholders' funds at £10.94m (£11.58m) and borrowings as a percentage of these as 36.71 (31.38).

comment

M. Y. Dart's pre-tax loss shrinks

substantially to £487,000 if you strip out exceptional items, which represent the completion of a medical surgery, involving the closure of the Chingford tennis factory and the consolidation of its operations into the Whitby tennis ball factory. This, along with redundancies at Harrogate and the packaging division, will take a hefty bite out of overheads in the current year. Packaging, formerly a major headache, made £99,000 profit, reflecting the benefits of closing the Whitby papermill in 1981 and the acquisition of William Thynes, with its far order books for polystyrene mouldings. Davies was in the black to the tune of six figures, thanks to a new range of bikes and increased London Transport fares. Marcorp in France had the toughest year—it lost £462,000—burdened by the Government's price freeze in the second half and the weakness of the franc against sterling. In the current year, the company expects no major increase in volume, but its slim new shape should bring a return to profit. The shares slipped 0.5p to 19p.

## PRELIMINARY RESULTS ANNOUNCEMENT FOR THE PERIOD ENDED 29 JANUARY 1983

"Since Woolworth Holdings assumed control of F W Woolworth last November, my confidence has increased in the potential that this imaginative acquisition has presented"

John Beckett, Chairman.



## Trading Results

The trading profit for F W Woolworth and its subsidiaries increased by nearly 24% to £58.4 million. The main part of the increase was attributable to B & Q, our DIY chain.

Profits from the sale of properties were £16.2 million, virtually the same as the previous year.

The resultant profit before tax for F W Woolworth for the year was £47.4 million (before extraordinary items of £6.8 million) compared with £38.3 million the previous year.

The pro-forma annualised income statement for Woolworth Holdings shows that the profit before tax and extraordinary items would have been £20.5 million if Woolworth Holdings had owned F W Woolworth for a full year.

## The First Steps

On assuming control, a thorough review of Woolworth's operations was put in hand. A number of matters which prompted immediate action soon became apparent:

□ We have instituted a full scale review of the merchandise range to eliminate

unnecessary lines and an assessment of our prices to ensure we become competitive.

□ We introduced a new organisation structure in the field and reduced the size of our head office.

□ We commenced a programme to reduce excessive stocks.

□ Two relatively new trading ventures, namely Shoppers World and 21st Century, were unlikely to become profitable... action is being taken.

□ We stopped property disposals until our review of the business is complete.

## The Future

For the longer-term future, I am confident the Company can look forward with optimism.

We have to identify what the customer wants and those wants that we aim to satisfy; we have to establish a clear position for Woolworth in the High Street in which it can excel.

I am paying particular attention to management and organisation. The ambiguities must be removed and clear objectives set for each part of the organisation. We have already taken some steps to divide the group into more manageable units."

The Annual Report will be posted to shareholders on 19 May. Non-shareholders who would like to receive a copy should write to Nigel Whittaker, Company Secretary, Woolworth Holdings plc, Woolworth House, 242-246 Marylebone Road, London NW1 6UL.

# WOOLWORTH HOLDINGS plc



## UK COMPANY NEWS

## Aquascutum profits dive but payment maintained

THE CONTINUED world recession and the cost of major reorganisation within the group have adversely affected 1982 profits of Aquascutum Group, clothing manufacturer and distributor.

Pre-tax earnings for the year ended January 31 1983 declined from £1.08m to £333,000, following the mid-year reduction from £240,000 to £225,000.

The final dividend, however, is unchanged at 1.2p, which maintains the total payment at 2.05p. Stated net earnings per share decreased from 3.80p to 1.91p.

At the attributable level, profits were down by £254,000 to £333,000. The result included a tax credit of £60,000 (£233,000 charge), a minority credit of £2,000 this time, and an extraordinary credit of £17,000 (nil) which was the surplus on a property sale.

Turnover for the 12 months rose marginally from £54.9m to £55.6m.

In current cost terms, the company made a pre-tax loss of £398,000 (£258,000 profit).

**Harcourt Irish calls in receivers**  
Harcourt Irish has requested the group's bankers to appoint receivers over the assets of its subsidiary companies and in addition, where for legal reasons this is not possible, were seeking the appointment of a liquidator over other companies in the group.

The principal companies involved in this, in addition to Harcourt Irish Holdings, are Springs of Wexford, Nu-Plast (Arklow) of Arklow, Clontarf Paper and BM Plastics of Dublin.

The group has experienced enormous difficult trading conditions leading to substantial losses and severe pressures on cash resources. Detailed discussions have taken place with the group's bankers and the relevant state agencies to establish if a solution could be found. It has become apparent that this is not possible.

**Garfunkels hits target with £0.32m**  
On target for its earnings in March at the time of a rights issue, Garfunkels Restaurants returned profits of £320,887 pre-tax for the year ended January 2 1983, an improvement of £239,074 over the figures for the preceding 12 months.

A final dividend of 1p is being paid—a total of 1.86p per 10p share has been forecast for 1983. Earnings per share for the year under review emerged at 9.57p.

The group's shares have been traded on the USM since last November. In the prospectus the directors predicted profits at a minimum £250,000.

Turnover for the year under review rose to £3.41m (£2.07m)—the group runs a chain of West End restaurants.

Tax took £10,062 (nil)—the previous year there was a release of provision for deferred tax amounting to £105,317.

## Lilley climbs to £11m and pays more

THE IMPROVED trend in profitability at F. J. C. Lilley has been maintained in the second six months to January 31 1983. Following the mid-year rise from £5.56m to £5.62m, full year pre-tax profits of this civil engineering and building contractor reached £11.0m, a 25.5% rise from £8.77m previously on turnover up £55.3m to £194.0m.

Although stated earnings per share slipped from 10.5p to 10.2p, the year's dividend is raised, an increased capital, from 8.5p to 6.05p net with a final of 3.77p. A one-for-one scrip issue is also proposed.

The group's results include those of Mollerang Holdings for the three-and-a-half months period from the date of acquisition. Some 1.4m shares issued in connection with the Mollerang acquisition rank for the full dividend for the year, worth £52.5m.

The dividend may be the continuing opportunity with regard to the acquisition of Mollerang, which the company again makes firm predictions. The market, however,

believes that the year ahead will not see a reversal in the group's fortunes.

Pre-tax profits were struck about an increase in depreciation charges from £3.7m to £3.8m, while interest received was little changed at £1.25m.

The tax charge was £2m higher at £4.42m and there were also minority interests of £287,000 (£288,000).

Mr J. Aiken intends to retire from business and to give up the chairmanship of the company after the AGM. The directors have resolved that on his retirement, Mr T. M. Bisset will assume the office of chairman as well as that of group managing director.

**comment**  
Lilley's results are complicated by a year of feverish corporate activity, including two acquisitions and a major right issue. But a slight decline in trading margins shows the group was not exempt from the recessionary chill felt by the construction industry. The market, however,

was pleased with Lilley's 41.2 per cent pre-tax profit increase—the 11th consecutive annual advance. Initially shares rose but ended unchanged. Thanks to management changes and rationalisation, ACE, the newly troubled construction industry company, broke even at the trading level.

The fully taxed historic p/o rose high for the sector at 17.2, reflecting the growth prospects of a group whose turnover

sterling even without this it appears in a better condition to compete with its lower cost base and more specialised products. The problem for the group has been the durability of its existing products which have allowed its main customers to delay reinvestment decisions. The UK hospital services which normally take 70 per cent of UK output — half group sales are overseas — is still holding back on orders while its operations are reviewed and there is unlikely to be a pick up here until 1984. For the current year the group must look to better margins with some room for price increases and efforts to expand its share of overseas business. At present it holds 15 per cent of a world market worth up to £200m a year. After yesterday's announcement shares were unchanged at 16p capitalising the group at £2.4m.

**comment**  
A year ago Neil and Spencer, which had been hit by German competition because of the strength of sterling against a devalued mark, made an emergency one-for-two rights issue and shares fell to the 12p offer price. The issue raised £2.5m and was subscribed. The £2m raised went to ease borrowings which had pushed gearing to 93 per cent. At around 78 per cent gearing still remains uncomfortably high but disposal, possibly of all activities but laundry and dry cleaning equipment manufacturing, together with better cash flow should bring level down in the current year. Though the company is optimistic about the effects of a weaker

## Progress indicated by Neil &amp; Spencer

Neil & Spencer, maker of laundry, dry cleaning and air control equipment, recovered to a profit at the trading level to finish this year, to the end of November last, with taxable losses down from £1.48m to £746,000. Sales were up from £25.5m to £27.2m with a five per cent upturn in volume.

Mid-year the loss was cut from £161,000 to £806,000. Trading in the current year shows "great improvement," the company states and Government. There is still no dividend.

The last was a total 2.1p paid for 1979/80, when the group derived from a record £1.74m profit to a £284,251 loss.

The gain at the trading level for 1981/82 was from a £197,000 loss to £146,000 profit. Lower interest rates on a little changed net debt reduced interest costs

from £108m to £891,000. In the previous year there had been an exceptional loss of £170,000.

Mr Stephen Proctor, the chairman, says that the pre-tax result "indicates progress towards recovery and the increase in sales confirms the on-going demand for our laundry and dry cleaning machinery."

"The fall in the value of sterling will be helpful in securing our improved and more profitable share of both the UK and overseas markets for this type of machinery," he says.

After a tax charge of £10,000 (£25,000 credit), the loss per share emerged at 5.5p against 14.6p. Extraordinary debits of £146,000 (£242,000) leave the attributable loss down from £1.73m to £891,000.

The extraordinary costs relate to reorganisation which over the past two years has cut the

UK workforce from 1,000 to 640, bringing the total down to 900.

**comment**  
A year ago Neil and Spencer, which had been hit by German competition because of the strength of sterling against a devalued mark, made an emergency one-for-two rights issue and shares fell to the 12p offer price.

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## Scottish Mortgage pays more

LITTLE CHANGE has been shown in pre-tax profits at Scottish Mortgage Trust for the year to end of March 1983. The taxable surplus came to £8.15m against £8.19m previously although gross investment income moved sharply ahead from £7.71m to £12.27m.

A year ago Neil and Spencer, which had been hit by German competition because of the strength of sterling against a devalued mark, made an emergency one-for-two rights issue and shares fell to the 12p offer price. The issue raised £2.5m and was subscribed. The £2m raised went to ease borrowings which had pushed gearing to 93 per cent. At around 78 per cent gearing still remains uncomfortably high but disposal, possibly of all activities but laundry and dry cleaning equipment manufacturing, together with better cash flow should bring level down in the current year. Though the company is optimistic about the effects of a weaker

pre-tax profits of £425,000. There is a waiver on 400,000 shares.

The directors say that in view of the continuing difficult trading conditions, particularly in the retail and textile fields, these results must be looked upon as most encouraging. They say vigorous steps have been taken to eliminate loss-making units in the retail division. The company hopes this can be satisfactorily completed within the next 12 months.

The board is concentrating its efforts on the distribution division, which is the group's main profit centre. The Belfast ware-

## Casket says first half advance is 'encouraging'

ON SALES of £1.2m to £1.7m, pre-tax profits at S. Casket (Holdings), clothing distributor and retailer, showed a modest increase from £256,000 to £281,000 in the half-year to December 31 1982. The interim dividend is unchanged at 0.5p per share.

There is a waiver on 400,000 shares.

The directors say that in view of the continuing difficult trading conditions, particularly in the retail and textile fields, these results must be looked upon as most encouraging. They say vigorous steps have been taken to eliminate loss-making units in the retail division. The company hopes this can be satisfactorily completed within the next 12 months.

The board is concentrating its efforts on the distribution division, which is the group's main profit centre. The Belfast ware-

house has been successful since its opening last year that the company is now having a target purpose-built unit constructed which will be trading in the summer.

**Octopus Publishing**  
The application list for the Octopus Publishing Group offer for sale by tender opened at 10.01 am yesterday and closed at 10.01 am.

The offer has been oversubscribed. A further announcement giving the striking price and basis of allocation will be made in due course.

**EMRAY**  
Emray is to pay £283,000 for the acquisition of Blue Bell Garages (Middlebrough). Due to an agency error the consideration was incorrect in yesterday's report.

## Horace Cory improves to £367,697

An increase in pre-tax profits from £206,168 to £267,697 has been shown by Horace Cory 1982. Turnover of this chemical colour manufacturer improved from £2.46m to £2.24m. The year's dividend has been raised.

At the halfway stage pre-tax profit rose from £88,000 to £203,000 and directors were hopeful that the improvement would continue in the second half.

Earnings per share were 0.70p as 2.05p (2.02p). The final dividend is being lifted from 0.70p to 0.80p giving a higher net total of 1.5p against 1.1p.

At the trading level profits moved sharply ahead from £170,000 to £351,649. Pre-tax profits were struck after interest receivable of £36,049 compared with £35,580.

Tax amounted to £177,101 (£16,738).

Directors' commission of £9,107 and staff bonus of £28,000 for 1982 have been charged in the accounts together with commission and bonus for 1981 which paid in 1982.

In earlier accounts only the amounts of commission and bonus actually paid in the year were charged. If the previous basis of dealing with these items had been adopted in 1982 the pre-tax profit would have been increased by £37,107.

## John Harvey-Jones, the Chairman of ICI, speaking at the Annual General Meeting on 21 April 1983 said, of the business situation:

There are two broad dimensions, the likelihood of economic revival and the likelihood of beneficial trends in feedstock costs and exchange rates. Almost 50% of our variable costs are directly associated with oil while exchange rates are powerful determinants of the profitability of our exports and our strength in home markets.

At the Annual Results Press Conference in February I was in a cautiously optimistic mood. I am pleased to be able to justify this mood by telling you that we had a very good March and that as a result our first quarter figures will show a distinct improvement on those of any quarter in 1982.

There do seem to be some hopeful and positive signs of change in the economic environment. United States production has been picking up for several months, there is evidence of renewed stability in Continental countries following the sharp deterioration in their production last year and UK markets appear stronger. Against a background of generally lower inflation, there seems to be a feeling of greater confidence on both sides of the Atlantic. It is encouraging to report positive signs but we should not be misled by them and many of the key factors affecting our business must still be regarded as volatile. But the outlook is at least more promising than it has been for some time. It may be a false dawn but it would be a pretty poor look-out if we couldn't take pleasure at some good news. All I would counsel is that we don't go overboard.

## Among the other points made by the Chairman:

In 1982 — an awful year in the history of the chemical industry — the strongest OECD economies all came under siege. I do not think anybody can say we were out-performed, even in our worst hit areas.

"Our current financial position is strong"

Obviously, profits of the 1980-82 variety are no recipe for a successful chemical company and our first priority must be to restore profitability by every means in our power. That said, our current financial position is strong.

In 1982, we met all our cash requirements from internally generated funds. We paid back loans amounting to a net £103m and we emerged from the year with net liquid resources of £64m. We controlled and reduced capital expenditure without dislocating or inhibiting our market activities.

The Board's decision to declare an unchanged dividend — in spite of deepening recession in 1982 and reduced profits — reflects an overall judgement which strikes a balance between our 1982 results, our general financial position and our business prospects.

"Our overriding need is to remain internationally competitive. We are more than holding our own"

In the current economic situation, where there is a strong element of survival of the fittest, it is vital to measure our performance and stamina directly with those of our competitors. I am pleased to say that the evidence we have leads us to conclude we are more than holding our own.

Broadly speaking, pharmaceuticals, explosives, paints and agricultural products have again done well in 1982, accounting for a hefty £2.6bn of our turnover in spite of worsening economic conditions.

## Welkom Gold Mining Company Limited

(Incorporated in the Republic of South Africa)

## INTERIM REPORT — 1983

The following are the unaudited results of the company for the six months ended March 31 1983, together with comparative figures for the six months ended March 31 1982, and the year ended September 30 1982.

	Six months ended March 31 1983	Six months ended March 31 1982	Year ended September 30 1982
Income from subsidiary company	31,383	31,382	30,982
Investment income	12,924	7,446	17,563
Less: Sundry expenditure	24,233	14,135	32,851
Profit before taxation	20,074	14,693	32,516
Provision for taxation	7	—	11
Profit after taxation	20,067	14,693	32,505
Retained profit brought forward	87	63	63
Profit available for distribution	20,154	14,756	32,568
Deduct:			
Dividends — interim	23,933	13,808	13,808
Dividends — final	—	—	18,673
Retained profit	20,154	14,756	32,568
Earnings per share — cents	91.5	53.4	123.6
Dividends per share — cents	91.0	52.5	123.5
Number of shares in issue	26,300,000	26,300,000	26,300,000

The final dividend (No. 51) of 71 cents a share in respect of the year ended September 30 1982 was declared on October 21 1982 payable to members registered on November 12 1982 and was paid on December 10 1982.

**Subsidiary Company**  
In respect of the six months ended March 31 1983 the profit after taxation of the company's wholly-owned subsidiary, Free State Salspias Gold Mining Company Limited, was R12 967 000 (1982: R7 449 000) and a dividend of 46.0 cents (1982: 26.5 cents) a share, amounting to R12 926 000 (1982: R7 446 000) was declared.

At March 31 1983, Free State Salspias had net assets comprising 3 653 000 (1982: 3 653 000) shares in Western Holdings Limited, at a book value of R39 717 000 (1982: R39 717 000), and net current assets of R54 000 (1982: R309 000).

**Investments**  
The group's listed investments of 6 838 000 shares in Western Holdings Limited remain unchanged.

**Market value**  
At 31.3.83 31,383 At 31.3.82 30,982 At 30.9.82 30,982  
R000 R000 R000  
362,414 300,872 362,414  
Book value 64,829 64,829 64,829  
Appreciation 297,585 236,043 297,585

**Borrowings**  
The company had no borrowings at March 31 1983 (1982: Nil). Copies of the quarterly report of Western Holdings Limited which gives details of the company's operations are available on request from the offices of the transfer secretaries.

For and on behalf of the board  
G. S. Young Directors

Declaration of Interim Dividend No. 52.  
On April 21 1983 dividend No. 52 of 91 cents a share, being the interim dividend in respect of the year ending September 30 1983 was declared in South African currency, payable on June 10 1983 to members registered in the books of the company at the close of business on May 6 1983.

The transfer registers and registers of members will be closed from May 7 to May 20 1983, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 9 1983. Registered members paid from the United Kingdom will receive the United Kingdom currency, equivalent on May 9 1983, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 6 1983.

The effective rate of non-resident shareholders' tax is 15 per cent.  
The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the board  
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED  
Secretaries  
per: C. R. Bull  
Divisional Secretary

Head Office  
44 Main Street  
Johannesburg 2001  
(P.O. Box 61587  
Marshalltown 2107)

London Office  
40 Holborn Viaduct  
London EC1P 1AJ  
Johannesburg  
April 22 1983

Our first and overriding aim is an increase in profits.



Among the other points made by the Chairman:

In 1982 — an awful year in the history of the chemical industry — the strongest OECD economies all came under siege. I do not think anybody can say we were out-performed, even in our worst hit areas.

"Our current financial position is strong"

Obviously, profits of the 1980-82 variety are no recipe for a successful chemical company and our first priority must be to restore profitability by every means in our power. That said, our current financial position is strong.

In 1982, we met all our cash requirements from internally generated funds. We paid back loans amounting to a net £103m and we emerged from the year with net liquid resources of £64m. We controlled and reduced capital expenditure without dislocating or inhibiting our market activities.

The Board's decision to declare an unchanged dividend — in spite of deepening recession in 1982 and reduced profits — reflects an overall judgement which strikes a balance between our 1982 results, our general financial position and our business prospects.

"Our overriding need is to remain internationally competitive. We are more than holding our own"

In the current economic situation, where there is a strong element of survival of the fittest, it is vital to measure our performance and stamina directly with those of our competitors. I am pleased to say that the evidence we have leads us to conclude we are more than holding our own.

Broadly speaking, pharmaceuticals, explosives, paints and agricultural products have again done well in 1982, accounting for a hefty £2.6bn of our turnover in spite of worsening economic conditions.

The performance of the pharmaceutical business was exceptional, enabling us to continue with vital and extensive research programmes which otherwise could not be undertaken.

Oil, with a turnover of £1.6m, is also part of the success story, although the £2.73m contribution oil made to ICI trading profit was a good deal lower than the £2.23m contribution it made to the Exchequer — a case of one for us and three for them.

General chemicals achieved a useful contribution to trading profit of £60m in 1982 in extremely difficult circumstances and we can confidently expect that performance in this £1.4bn business area will improve as manufacturing industry picks up. Despite the overall drop in European textile fibre consumption, fibres reduced their trading loss by 30%. Organic chemicals also reduced their loss by 40%. Together, they account for just over £1bn of our turnover.

\* Worldwide chemical sales by volume in 1982 went up by 3%, UK chemical sales by volume rose by 2% and exports by 7%.  
\* Sales increased by £770m but profits reduced by £76m.  
\* Our pre-tax profit of £259m was an inadequate return for all the effort and skills which went into making and selling £7,358m worth of goods.

Undoubtedly the major impact on profitability came from the substantially increased loss of £139m in petrochemicals and plastics, which accounts for almost £2bn of current sales turnover. Our strategy in commodity petrochemicals and bulk polymers has been, and still is, to concentrate in our most competitive areas, to rationalise, to cut costs. I believe we have acted quickly and responsibly and done everything in our power both to safeguard job prospects in these businesses and preserve as much as possible of your investment. Against the background of massive losses, the Western Europe chemical industry must re-structure much more to reduce both excess capacity and the number of companies in the market. Until it does, notwithstanding our clear resolve to win through, petrochemicals and plastics will continue

to be an area for further cost cutting and rationalisation. The short-term position should improve significantly as the full benefit of cost reduction and efficiency improvement comes through.

Out of a total of more than £7bn of business, less than a third has problems. The performance and prospects of 70% are good.

"Our technological base in some aspects leads the world"

Last year we spent some £94m on acquisitions and investments in associated companies including the Holden, FOUK and Lonza acquisitions — supporting our strategy to strengthen and extend our base as market leaders.

We have also identified several new business areas. The general thrust is towards more specialty chemicals. Our technological base is very wide, has few gaps, is fully competitive and in some aspects leads the world. We intend to add to our range of specialty chemicals. Last year we made a significant shift in this direction.

"I believe we are getting on top of the problems caused by a depressed and volatile economic environment"

Today I speak on behalf of a smaller Board, comprising beside myself seven other Executive Directors and from today six non-Executive Directors.

These thirteen, together with our managers and workforce are a fine team to lead. We can depend on them. They are facing the challenges and unremitting burdens of these difficult times with resilience and tenacity.

I believe we are strong enough to find and hold to the right long-term path. In this our first and overriding aim is an increase in profits. It is only through greater success in that key factor that we can properly meet the justifiable expectations of you, our shareholders, our employees, and our customers.

ICI Chemical Industries PLC



## UK COMPANY NEWS

## BIDS AND DEALS

## Panel blocks Canadian bid for Marinex Petroleum

BY CHARLES BATCHELOR

THE CITY Take-over Panel has stepped in to block the proposed bid from Canada Northwest Energy for Marinex Petroleum, a UK oil and gas exploration group.

The Panel has refused to approve a conditional agreement between two of Marinex's directors, both from the U.S., which would have given Canada Northwest control of their shareholdings amounting to 50 per cent of the company's equity.

Canada Northwest, which followed its announcement of this agreement with the proposal to make a tender offer for the rest of the shares, said it would now make no offer for the time being. However, discussions between

the company and the two directors, Mr John C. Kinard and Mr Andrew R. Fish, are continuing, it said yesterday.

The Take-over Panel stepped in because under the City's takeover code no person may acquire a stake of more than 30 per cent in a company before announcing that he is making an offer, unless it has been recommended by the target company's board.

"Canada Northwest consulted us and we said 'You cannot do that over here'," said Mr John Hignett, director-general of the Panel. "Their initial announcement jumped the gun. This came about because people were in different parts of the world."

Mr Fish holds 6.75m of Marinex's 27m shares while Mr

Kinard holds a further 6.75m. Dealings in the shares, which took place under Rule 163 (3), resumed yesterday at 60p, valuing the company at £16.2m. It had been suspended earlier at 65p.

The largest shareholder in Marinex is Mr Dan W. Williams, the managing director and a U.S. citizen.

Marinex has interests in areas in southern England, including the Humble Grove discovery, the Republic of Ireland and Northern Ireland, Spain and the U.S.

Canada Northwest is based in Calgary, and is also active in the southern U.S., Spain, Italy and Australia.

## CAI—doubts over counter bid

BY DAVID DODWELL

MR DAVID WICKINS, who is spearheading the £23.75m Dowable consortium bid for Cope Allman International, yesterday launched what may be his final assault on the company by pouring doubt on suggestions that a "white knight" will emerge to make a higher counter-offer.

At the same time he revealed that Dowable, which was set up specifically to mount a 60p-a-share bid for the leisure, packaging and engineering group, had attracted acceptances representing 21.84 per cent of Cope's shares by the time of the second closing date on Wednesday.

The offer will remain open until next Wednesday, "but will not be extended beyond that date unless Dowable is in a position to declare the offer unconditional," a statement to shareholders said.

"The current share price of 60p is the hope that Hollis Brothers (of which Mr Robert Maxwell is chairman) will make a higher offer than Dowable," Mr Wickins said. "I doubt

whether any offer will in fact be made."

Mr Maxwell disclosed last week that he had acquired 7.85 per cent stake in Cope Allman at prices ranging from 62p to 65p. He also revealed that he has held a "preliminary meeting" with executives of Cope Allman. But he has refused to clarify whether or not he intends to mount a bid for the group.

Mr Wickins wrote to shareholders: "In the absence of any formal offer from Hollis, your share price would fall back below the level of 60p. On the stock market, Cope Allman shares slipped 3p to end the day at 60p."

For Cope Allman, Mr Michael Doherty, the chief executive, said he did not plan to issue any further statements to shareholders. "They have already been bombarded with information," he said. "But they should take account of the recovery in our profits. We think the recovery has arrived, and is going to continue apace."

## Harrods top management advise against demerger

TOP managers at Harrods, the Whitehall department store which London's House of Fraser group, have written to shareholders, telling them "Harrods should not be demerged from House of Fraser."

The 15 managers, led by Mr W. A. Craddock, chairman and managing director of Harrods, say "when the idea of a demerger was first raised it seemed that there might be some merit in Harrods 'going it alone', but as we studied the various proposals and started to examine all the possibilities we became convinced that to demerge Harrods from the rest of House of Fraser would be wrong for Harrods, the shareholders and the staff."

The managers say that Harrods "is unique... the uniqueness of Harrods is its magic, but it must be guarded carefully. Once lost, whether by attempting to create replicas of Harrods or by the indiscriminate use of Harrods name, the magic would vanish. The scope for expansion of Harrods is therefore more restricted than certain uninformed comment would suggest."

They add: "Harrods benefits from being a part of the House of Fraser group, the leading department store group in this country." It also gains from "invaluable market information and trading data as well as from the economies of shared services with the rest of the group."

## Surmah agrees higher bid

Agreement has been reached on the terms of a recommended increased offer to be made for Surmah Valley Tea. This is on the basis 39 new Rightwize ordinary plus \$86 nominal of new Rightwize 12 per cent loan stock 1983-85 for every 100 existing shares in Surmah or the equivalent thereof.

The recommended offer represents an increase over the offer made on April 12 of \$5 nominal of new Rightwize loan stock for every 100 existing shares in Surmah. The capital and rights of election under the original offer will be available until the first closing date of the recommended increased offer.

Since Darby has irrevocably undertaken to procure acceptance of the offer in respect of its holding of 327,000 existing Surmah shares (40.9 per cent) or their equivalent following the capital reorganisation. The shares are held by Sime Darby and its subsidiaries.

Persons acting in concert with Rightwize, including certain directors of Rightwize, holding in aggregate 311,999 existing Surmah shares (39 per cent) have indicated that they intend to accept the offer.

Acceptances received to date in respect of the offer amount to 3,737 Surmah shares (0.5 per cent), which excludes shares subject to the irrevocable undertaking.

IC Gas Denver, has bought 87 per cent of the equity of Amcana, which has about 90 producing oil and gas wells in the U.S.

UDS GROUP  
Hanson Trust purchased on April 20 through a wholly owned subsidiary 1.5m ordinary stock units in UDS Group at 133p, bringing the total holdings to 25.25m stock units (13.24 per cent).

NO PROBE  
The proposed merger of the automotive electronics interests of Lucas Electrical and Smiths Industries is not to be referred to the Monopolies and Mergers Commission.

ICI MARLEY  
Imperial Chemical Industries and Marley have completed negotiations to merge the activities of their respective subsidiaries, ICI Hydo Products and Wallington Weston & Company. The new company, Weston Hydo Products, will be 49 per cent held by Marley, 45 per cent by ICI with Barclays Merchant Bank holding the remaining 6 per cent.

MANSON FINANCE  
The Manson Finance Trust Group's banking services division, Edward Manson and Co., a mortgage deposit taker, has linked up with Manson Agricultural Finance to make available finance for the acquisition of agricultural leased assets for corporate and non-corporate lessors.

SHARE STAKES  
Wm Lew and Co—Provident Mutual Life Assurance Association has been the beneficial holder of 510,000 ordinary shares (5.51 per cent).  
Securitor Group—J. J. Delaney, a director, has disposed of 50,000 "A" non-voting ordinary shares.  
Elevick-Hopper—Arthur Foxon Blacker, a director, has disposed of 64,400 ordinary shares, reducing holding to 593,804 (1.87 per cent).  
Telephone Rentals—Prudential Corporation Group of Companies holding has fallen below 5 per cent.  
Allied Lyons—J. E. N. Thompson, a director, has exercised an option over 5,158 ordinary shares.

IC GAS U.S. DEAL  
Imperial Continental Gas Association has acquired controlling interest in Amcana Oil Corporation, an exploration and production company based in Oklahoma for \$1.5m (\$9.75m).  
IC Gas, through its subsidiary,

disposed of 64,400 ordinary shares, reducing holding to 593,804 (1.87 per cent).  
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## MINING NEWS

## Anglo's OFS gold mines boost interim payments

BY KENNETH MARSTON, MINING EDITOR

SHARPLY increased interim dividends for the year to September 30 are announced by the Anglo American Corporation group. For the most part they are at the top end of expectations and even better in some cases.

Western Holdings shows up particularly well with an interim of 55p (50p) which compares with 210 cents a year ago and the subsequent final dividend of 270 cents. President Brand comes out well with an interim of 250 cents against 210 cents as does President Steyn with 280 cents against 175 cents.

Wellman reaches best estimates with an interim of 51 cents against 45 cents while Free State is about in line with the more optimistic forecasts at 240 cents against 190 cents. On the other hand, Anglo's production of 2.1m oz of gold is a total for the year to March 31 of 62.5 cents against 110 cents is below many expectations.

The latest payments are compared in the following table:

	April	Oct	April	Oct
cents	cents	cents	cents	cents
Anglo	25	27.5	50	40
Free State	25	25	50	40
Wellman	25	25	50	40
Western	25	25	50	40
President Brand	25	25	50	40
President Steyn	25	25	50	40
Anglo	25	27.5	50	40

As with the rest of the South African gold mines, the Anglo producers enjoyed a very average year in the previous quarter. Anglo's production of 2.1m oz of gold is a total for the year to March 31 of 62.5 cents against 110 cents is below many expectations.

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## UK COMPANY NEWS

## Supra into the red after £0.5m provision

AFTER AN exceptional provision of £471,121, Supra Group reports a loss of £162,598 for the year to the end of November 1982, compared with profits of £197,727.

The directors say the provision follows excessive delays in collecting accounts and the practice of some foreign governments in withholding funds. They believe it to be prudent to provide against long-term export debts previously considered to be good.

Also the need for product rationalisation in the components division, when viewing the circumstances in the market place, has led the directors to make provisions against certain stock holdings.

On sales ahead from £10.5m to £10.1m, the group's operating loss of £162,598 was shown against the operating loss of £197,727 in the previous year.

The group's turnover rose from £10.5m to £10.1m, after allowing for last year's 14.4m scrap. Earnings per share were shown as falling from 2.31p to 0.22p.

The group continues to experience the difficulties of fluctuating demand in the UK, say the directors. Despite this, the current buoyant position of the UK vehicle manufacturers is resulting in a "very satisfactory" increase in volume and, in this area, the group is the main supplier of sound deadening systems.

The directors also point out that the components division started the year exceptionally well and output in the replacement market for the first quarter is ahead of last year despite intense competition for market share.

There was a tax credit of £116,760 compared with a previous charge of £179,418. Minorities took £26,357 this time.

Listing cancelled for six companies

Stock Exchange listing was cancelled yesterday for six companies which have gone into liquidation over the past four years.

The companies involved were Britalene and Anderson Rubber, both of which collapsed in 1979, and Briggs, Blair and Co., Ltd., and Britalene, all of which came to grief in 1981.

In all cases, the Inland Revenue said that shares had become negligible assets for the purposes of capital gains tax.

Dillmay receivers

Following a request from the directors of Dillmay Filling Stations, Dillmay (Filling Stations) Ltd. has been placed in the hands of receivers, Messrs. Price Waterhouse & Co. (Gosport).

Mr. Peter Padmore and Mr. Colin Bird, of accountants Price Waterhouse & Co., have been appointed receivers.

The companies own a chain of petrol filling stations located in the Midlands, Wales and Southern England, with a head office in Portsmouth.

## Bardsey £250,000 in loss but improving trend seen

Bardsey, with interests in hand tool manufacture and distribution, furniture and property, moved back into the black in the second half of 1982 but at the pre-tax level the group still finished the year £250,000 in the red, compared with profits of £242,000 for 1981—mid-year losses totalled £247,000.

It is pointed out that the previous year's figures included £750,000 from share and property dealing.

Low tax for 1982 was the year under review emerged at £109,000 (£137,000) and a dividend of £100,000 is being paid, against £30 previously.

The directors say management at the operating companies has been strengthened and signs are that trading is beginning to improve. They add that benefits of further cost reductions should be seen in 1983.

The three main industrial companies all ended 1982 on a profitable basis despite the recession.

Group turnover rose from £20.0m to £24.7m and after cost of sales at £25.1m (£15.5m) there was a gross profit of £2.6m.

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## Harold Perry falls to £3.2m

IN WHAT is described as the most difficult trading year since the company went public some 10 years earlier, 1982 pre-tax profits of Ford main dealer Harold Perry Motors, dropped from £3.72m to £3.18m.

Profits from new car sales, hard hit by extreme price-cutting competition, were down by one third. Overall group sales rose marginally from £90.05m to £100.77m in the year.

In September, reporting unchanged taxable profits of £1.88m, the directors said that the "phenomenal" concentration in August of new car registrations was shared by the group. But in the absence of any clear signs of a general business upturn it was difficult to forecast profits in the second half equalling those of 1981.

For the first quarter of 1983, pre-tax profits of £1.88m were marginally below last year's £1.12m which were boosted by Ford's successful sales campaign for transit vans.

Mr. J. F. Macgregor, the chairman, says the continuing competitive pressure on profit margins from sales of new cars effectively eliminated the increased profits which group sales, 19 per cent higher in volume, should have yielded.

Although any general post-recession recovery in business activity is still awaited, he says pre-tax profits improved in respect of 9,599,211, representing 88.82 per cent.

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## Bentalls shows recovery in the second six months

AN IMPROVEMENT in trading towards the end of the second six months enabled department stores group Bentalls to more than make up the £171,000 first-half profits shortfall and finish the year to January 29 1983 with £2.1m (£2.05m) from which interest took £220,000 (added £30,000).

A higher tax charge of £807,000, against £488,000, and extraordinary credits of £27,000 (£70,000) left the available balance at £2.1m, compared with £1.62m for earnings per share of 2.9p (£3.71p).

Profits retained totalled £222,000 (£290,000) after dividend payments of £268,000 (£225,000).

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## THE EDINBURGH INVESTMENT TRUST plc ('EIT') Recommended Merger with SCOTTISH UNITED INVESTORS plc ('SUI')

The consideration under the Offer will depend upon the net asset values of EIT and SUI on the day the Offer becomes or is declared unconditional as to acceptances. If the Offer had been based on the net asset values as at 19th April, 1983, the consideration would have been equivalent to:

For every 100 Ordinary Shares in SUI 88.24 Ordinary Shares in EIT and £17.97 in cash and so in proportion for any other number of Ordinary Shares in SUI.

Acceptances of the Offer should be received by 3.00 p.m. on 3rd May 1983.

The issue of this announcement has been approved by duly authorised Committees of the Boards of EIT and SUI. Each Director of EIT and SUI has taken reasonable care to ensure that the facts stated are fair and accurate and accepts responsibility accordingly.

Schroders Kleinwort, Benson Limited

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## THE PROPERTY MARKET BY MICHAEL CASSELL

## An uphill struggle for Trust Securities

FAR FROM establishing a beachhead in its bid for Percy Bilton, Trust Securities has hardly got a finger into the door. Acceptances for a measly 0.01 per cent of the Bilton ordinary have been received, it was disclosed yesterday, and the offer has been extended to May 4 "or such later date or dates as Trust Securities may decide."

Trust Securities chairman and chief executive Peter Jones took the rejection as part of the game. "People are looking for a lead from the Bilton family and the Coal Board funds" (44 per cent of the equity), "and nobody is going to accept on the first time round."

His next move will be to write to Bilton shareholders again early next week. In the meantime he says, in direct contradiction of a poll run by the Bilton side, that he has contacted 85 per cent of the Bilton shareholders and is "very confident" that they will take a positive attitude to his offer in the end.

Something positive will make a refreshing change in this affair. Bilton's main defence so far has consisted of slinging mud at Mr Jones, his company and its main asset, the £200m. Stockley Park development near Heathrow, reaching a doubtful apex with its reference to Mr Jones's past.

Jones himself expects in next week's letter to concentrate on

what he sees as the deficiencies of the Bilton Board although he promises to be "nowhere near as vitriolic" in his attack.

The whole affair has depressed the Trust Securities price to 81p from 98p on the day of the bid, putting a face value of 247p on the Bilton offer.

Trust is now standing at less than half the 170p assets per share estimate which has been made by outside analysts on the back of the Stockley Park development. It could be argued that the best thing for the share price in the short term, would be for the Bilton bid to fail completely.

Doubts have been cast on the funding prospects for Stockley Park, where the Universities Superannuation Scheme, one of the biggest funds in the country with assets of £1.5bn and a £170m annual cash flow, has put up £7m for prior works and has an option agreement to advance another £50m.

Sir Kenneth Berrill, deputy chairman of the USS, was firm in his support for the scheme this week: "We are very pleased that it was brought to us and glad that planning has reached an advanced stage: it is a very imaginative development and a marvellous location."

Clearly, Stockley Park and Jones have a future, whatever the result of the Bilton bid.

WILLIAM COCHRANE

## Tempting the tenant

APPEARANCES are important in a weak lettings market, so it is not surprising that landlords and their agents are keen to sing about achieved rents when they come within striking distance of the quoted figure.

What they are less happy about, however, is revealing the other bits and pieces of a package which market conditions might have forced them to offer to a tenant who is holding most of the cards.

Those "bits and pieces" can currently embrace a long list of incentives, offering significant reductions in overheads by way of temptation to wavering tenants.

The package can include lengthy rent-free periods, shorter leases, break clauses giving the tenant the opportunity to get out, payment of fitting-out costs and agreements by the landlord to pay his own legal fees (how he ever arranged not to is a remarkable achievement).

Not surprisingly, the extent of the package reflects the relative attractions of the individual property. The industrial market, where executive cars and holidays are being handed over with the keys, is beset with incentives and tenants' expectations of hand-outs are high.

The habit is apparently catching, with MEPC reporting that, in response to an invitation to agents to attend a promotional party for one of its west end London industrial schemes, some have telephoned to see what they can expect to receive, merely for turning up.

Talking of MEPC, it appears that even such undoubtedly worthy schemes as the group's Long Acre, Covent Garden, office development is not above the incentives game. It is believed that First National Bank of Chicago, whose name will soon grace the building, has won a six-month, rent-free period on the 65,000 sq ft it is taking. MEPC says that, because of fitting-out times, the tenants might well, however, be paying rent before they move in.

Over at Town & City, Jeffrey Sterling shows surprise at MEPC's generosity and emphasises that his new deal with British Telecom, which is taking 81,000 sq ft in the T & C Shaftesbury Avenue scheme at nearly £15 a sq ft, includes no more than a three-month, rent-free fitting out period. "Even in this market, you've got nothing to worry about with a good building," he says confidently.

Jonathan Edwards at Baker Harris Saunders says six-month, rent-free periods are now increasingly available for major lettings where the landlords get close to the asking rent. There is also evidence that shorter leases—down from the 25-year norm to 20 years—are also occurring more regularly, with insurance company landlords in particular prepared to contemplate the shorter period.

Incentives do not yet enter into the conversation when it comes to one of central London's latest office schemes, the Prudential Assurance office development alongside its own

headquarters building in Holborn.

The 60,000 sq ft building, perched above Chancery Lane underground station at the junction with Gray's Inn Road, is nearly complete and De Groot Collis and Jones Lang Wootton are looking for someone to pay rent of £950,000 a year, equating to a little over £16 a square foot, for a 25-year lease with upward-only five-year reviews.

That level of rental compares very well with figures achieved in the Holborn area generally but the agents say (they would, wouldn't they?) the building's location and quality justifies the price.

The joint agents' report "encouraging interest" and, although they point to the significant number of lettings in the area over the past year, which have reduced the number of large, vacant buildings available, they are well aware that some remain.

For example, a little further along Holborn, at Holborn Viaduct, stands Citicorp House, the 63,000-sq-ft Hambro Life office scheme which has been on the market through Richard Ellis since the middle of last year at an asking rent of about £18 a sq ft. Tenants have not exactly been queuing up and they will have an even wider choice on the doorstep later this year when the Trafalgar House office scheme at nearby Plumtree Court, the old Evening Standard complex, reaches the market.

## Pimlico Appeal

OLDHAM ESTATES has appealed against Westminster City Council's decision to refuse planning permission for an 83,000 square foot office scheme at the junction of Belgrave Road and Chillingham Road, close to London's Victoria station. A date has yet to be set for the hearing.

The rejection was no surprise. Oldham already had residential permission for the site, knew housing was what Westminster wanted and said last September that it was prepared to go to appeal.

Westminster's first two reasons for rejection are along these lines. The planning application is described as contrary to council office policy—the site is outside the "central activity zone," with no special circumstances to justify it; and more residential development is considered desirable.

According to Westminster, the design lacks "architectural quality" and "design sensitivity" and does not make a positive contribution to the character and appearance of this part of the Pimlico conservation area.

Residents must be mulling this over, as they watch Greycoat's massive Victoria station redevelopment in progress a platform's width away and fear for the character of an area which promises so much but which is in danger of being hit by heavy traffic with no good case for being there.

W.C.

## New office scheme for Norwich Union

NORWICH UNION is to develop 98,000 sq ft of offices in Guildford Road, Woking. The scheme was for completion in early 1985, will cost about £12½m.

The decision follows the purchase, from Woking Borough Council, for part of the council's former site at a price of £3½m. The freehold site extends in total to nearly three acres and Norwich Union plans to develop a low-rise office scheme around a central courtyard. Donaldsons advised Woking and Jones Lang Wootton will be letting agents.

Grosvenor Square Properties, represented by Anthony Lipton, has let the Grange, an 11,775 sq ft new office building at Hayes, Middlesex, to Prime Computers at close to the asking rent of £115,000 per annum.

Institutional clients of Allsop and Company have sold the freehold of 26/28 Dea Street in London's Soho to the Post Office Insurance Society, clients of Keith Cardale Groves. The property, bought for £1.2m on a yield of 8.4 per cent, comprises showrooms on the ground floor with offices above and adjacent to the premises already held by the POIS.

Canada Life Assurance has paid £1.25m for Lower Hill in Ewell, Surrey, the refur-

bished, 8,000 sq ft office scheme let to REDC (Services), the oil exploration group, at £78,500 a year. Mason Phillips acted for Canada Life, which now has a portfolio of over £35m. Richard Ellis acted for Spiers, the developer.

Another disposal by Capital Counties, having just sold 24, Old Queen Street, London SW1 to the W. H. Smith Pension Trust for £1.25m, Capco has raised £800,000 by selling the long leasehold of a block of shops and adjoining garages at St Georges Court, Brompton Road, SW3. Westminsters and Century Properties, advised by Lambert Smith, were the purchasers and Marler & Marler represented Capco.

Kyle Stewart Properties has won planning permission—to be ratified by the DoE—for a 63,000 sq ft superstore two miles from Aylesbury in town centre in Buckinghamshire. The store will form the centrepiece for a 25-acre development offering 600,000 sq ft of industrial, high-tech and warehouse space.

Sainsbury's Homebase, in association with British Rail and Spence & Co., a Bath-based property company, has applied for planning permission for a 34,500 sq ft House and Garden Centre close to Green Park Station.



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Warehouse/office building  
FREEHOLD FOR SALE

**King & Co**  
01-236 3000

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On the Instructions of Watney Combe Reid & Co Ltd

### NORTH SURREY

Between Epsom and Reigate, London 18 miles

A WELL POSITIONED INSTITUTIONAL

PROPERTY PRESENTLY USED AS A

RESIDENTIAL TRAINING COLLEGE

5 Lecture Rooms, 46 Bedrooms, 5 Reception Rooms,

Dining Room, 9 Offices, 12 Bathrooms,

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About 14,500 sq ft net Internal Area.

Car parking for 50 Cars. Delightful Gardens.

ABOUT 2½ ACRES

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A Magnificent New Office Building  
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LONDON W1X 4DD  
01-493 7050  
Telex 22613



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WAREHOUS  
UNITS

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INDUSTRIAL  
ESTATE

BT CROSS  
CENTRE  
BENTFORD

15,500 sq. ft.  
15,500 sq. ft.  
15,500 sq. ft.

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ESTATE  
CRAWLEY

15,500 sq. ft.  
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BY MOVING TO  
**BROMLEY**

**19,600 sq. ft. OF OFFICES  
TO LET**

Sub-division considered  
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Land available for purpose  
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Up to 185,000 sq. ft.  
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INDUSTRIAL UNITS  
from 5,000 sq. ft.  
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- Offering units from  
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EXCELLENT INDUSTRIAL PREMISES  
(constructed in 1978) with  
ADDITIONAL EXPANSION LAND  
Floor area: 128,300 sq. ft. Site area: 11.72 acres  
Adjoining Warwick Business. Excellent rental offices.  
FOR SALE  
Ref: FDD/MWD

WEST BROMWICH - BIRMINGHAM ROAD



By direction of Messrs J. & S. L. who are moving to  
new premises on existing industrial park  
FACTORY & OFFICE PREMISES  
WITH DEVELOPMENT LAND  
Floor area: 88,920 sq. ft. Site area: 6.54 acres.  
1/2 mile Junction 1 M6 Motorway  
Opposite West Bromwich Albion F.C. Football Ground  
Ref: FDD/MWD FOR SALE

All enquiries to Birmingham Office

021-236 8477

01-499 9452

78, COLMORE ROW, BIRMINGHAM B3 2HG  
TELEX: 335148

51/53, BRICK STREET, LONDON W1Y 7DU  
TELEX: 8853829

Also at Banbury and Stratford-upon-Avon

## AUCTION SALE

Wednesday, 18th May, 1983 at 3pm, to be held at  
the Cornmarket Rooms, Great Queen Street, London WC2  
Comprising mainly freehold shop investments

<b>HAYES, Kent</b> - 3 Lots 65a, 68 and 70-72 Station Approach Leasing £7,200 pa	<b>SALEBURY, West Yorkshire</b> - 2 Lots 89-91 Bingley Road Leasing £5,050 pa
<b>KENDAL, Cumbria</b> 95 Highgate £6,450 pa	<b>NEARBY, Derbyshire</b> 15 Market Street Let to Television Limited £7,125 pa
<b>DOVER, Isle of Wight</b> 112 High Street £4,000 pa	<b>ACCOMBTON, Lancashire</b> 64-66a Blackburn Road £2,550 pa
<b>DARBY, Lancashire</b> The Circus £9,843 pa	<b>WINDERSFIELD, West Yorkshire</b> 4-6 Kirkgate Let to Coral Estates Limited £9,000 pa
<b>WIRRAL, Greater Manchester</b> 21-23 Wallgate £10,800 pa	

**Edward Erdman** Surveyors  
14 Grosvenor Street, London W1X 3AU  
Telephone: 01-629 3191

## 111 CHERTSEY ROAD WOKING

14,750 SQ. FT.  
NEW OFFICES  
TO LET

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Own a 12,500 acre Scottish  
Sporting Estate for only £5,000

For the first time companies and private buyers have the chance to own a major sporting estate without paying, perhaps, a £1 million, or more. The 12,500 acre Garynahine estate on the Isle of Lewis, Scotland, with its luxurious house and full staff, plus facilities for deer stalking, grouse, pheasant, snipe and partridge shooting, as well as salmon, trout and sea fishing, is being sold via timesharing. Weeks at different times of the year cost from £5,000 to nearly £50,000. Inspection flights by executive jet. Details from:

**KENNETH EDWARDS & COMPANY**  
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TELEPHONE: 0990 22275

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A distinctive office building of  
**29,500 sq. ft.**  
with on site parking space for  
115 vehicles

**Freehold For Sale**  
with vacant possession  
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TO BE LET

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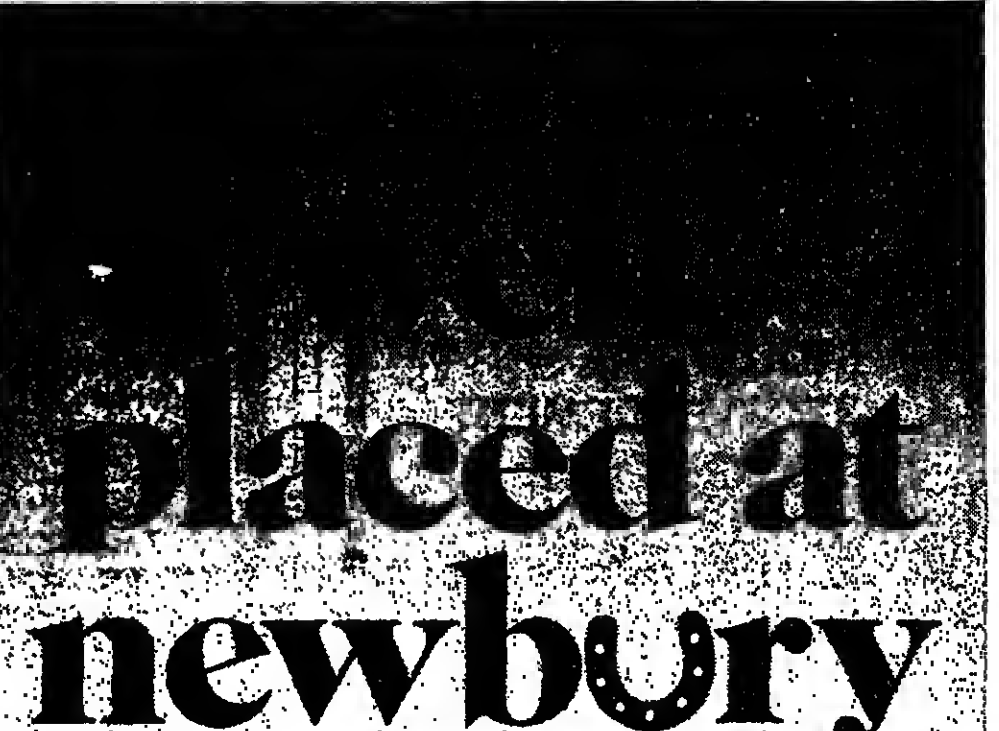
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AMENITIES INCLUDE: CARPETING  
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Telephone: 01-637 4577



placed at  
newbury

## the west street office complex

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5,200-24,200 sq. ft. available in floors or as one self-contained building. Plus a possible extra 25,700 sq. ft. in an adjoining building. The West Street Complex is a new self-contained office development ideally situated in the heart of Newbury town centre, just behind Northbrook Street, the main shopping area. This self-contained building is constructed on ground and three upper floors and can either be let as a whole or on a floor-by-floor basis. Amenities include full carpeting throughout; central heating; double glazing and ample on-site car parking.

**CONWAY REIF STANTON**  
01629 9100 68 ST. JAMES'S PLACE LONDON SW1A 1DD



Completely Refurbished Office Building  
35,000 sq. ft. approx. TO BE LET

- Two new automatic passenger lifts
- Full central heating
- Private car parking
- New double glazed windows
- Suspended ceilings
- Fully carpeted

Sole Agents

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01-930 1070

Estate House 130 Jermyn Street  
London SW1Y 4UL Telex 267761







# CONTRACTS AND TENDERS

## REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)  
MINISTRE DE L'ENERGIE ET DES INDUSTRIES  
PETROCHIMIQUES  
(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE  
(National Drilling Company)

### NOTICE OF INTERNATIONAL INVITATION TO TENDER

No. EX.65/83

A notice of International Invitation to Tender is hereby issued by the Entreprise Nationale de Forage, "ENAFOR", for the supply of:

- Item No 1—Special parts for "LAND ROVER" special vehicles
- Item No 2—Special parts for "LAND ROVER" vehicles
- Item No 3—Special parts for "TOYOTA" vehicles

This invitation to tender is addressed solely to manufacturing companies, engineering firms, and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenders interested in this invitation to tender may obtain specifications from: ENAFOR—Department Engineering et Approvisionnement (Engineering and Supplies Department)—1, Place Bir Hakeim—EL BLAN—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders, drawn up in eight (8) copies, must be sent in a double sealed and registered packet, the envelope must be anonymous without the tenderer's heading, initials or stamp, and must bear simply the endorsement:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL No. EX.65/83—CONFIDENTIAL—A NE PAS DIVULGUER—L'ATTENTION DE MONSIEUR LE CHIEF DE DEPARTEMENT INGENIERIE ET APPROVISIONNEMENTS" (National and International Invitation to Tender No. EX.65/83—Confidential—Do not divulge—Attention of the Head of the Engineering and Supplies Department).

Tenders must arrive by 26th May 1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 120 days from the closing date of the invitation to tender.

## REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)  
MINISTRE DE L'ENERGIE ET DES INDUSTRIES  
PETROCHIMIQUES  
(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUIS

(National Company for the exploitation of Oilwells)

### NOTICE OF INTERNATIONAL INVITATION TO TENDER

NUMBER 9138/DIV.

A notice of International Invitation to Tender is hereby issued by the Entreprise Nationale des Travaux aux Puits for the supply of:

EQUIPMENT FOR ENGINEERING MAINTENANCE WORKSHOP

This invitation to tender is addressed solely to manufacturing companies, engineering firms, and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenders interested in this invitation to tender may obtain specifications from: ENATP—Department Engineering et Approvisionnement (Engineering and Supplies Department)—1, Place Bir Hakeim—EL BLAN—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders, drawn up in five (5) copies, must be sent in a double sealed and registered packet to the "Secrétariat du DAT (Supplies and Transport Department)" at the above address. The outer envelope must be completely anonymous, without heading, and must bear the endorsement: "APPEL D'OFFRES INTERNATIONAL N° 9138/DIV. Confidentiel—A ne pas divulguer" (International invitation to tender Number 9138/DIV. Confidential—Do not divulge).

Tenders should be despatched to arrive by 12.00 hours on Saturday, 26.5.1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 180 days from the closing date of this invitation to tender.

## REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)  
MINISTRE DE L'ENERGIE ET DES INDUSTRIES  
PETROCHIMIQUES  
(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE  
(National Drilling Company)

### NOTICE OF INTERNATIONAL INVITATION TO TENDER

No. EX.64/83

A notice of International Invitation to Tender is hereby issued by the Entreprise Nationale de Forage, "ENAFOR", for the supply of 1,126 rock bits with flow beams.

This invitation to tender is addressed solely to manufacturing companies, engineering firms, and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenders interested in this invitation to tender may obtain specifications from: ENAFOR—Department Engineering et Approvisionnement (Engineering and Supplies Department)—1, Place Bir Hakeim—EL BLAN—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders, drawn up in eight (8) copies, must be sent in a double sealed and registered packet, the envelope must be anonymous without the tenderer's heading, initials or stamp, and must bear simply the endorsement:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL No. EX.64/83—CONFIDENTIAL—A NE PAS DIVULGUER—L'ATTENTION DE MONSIEUR LE CHIEF DE DEPARTEMENT INGENIERIE ET APPROVISIONNEMENTS" (National and International Invitation to Tender No. EX.64/83—Confidential—Do not divulge—Attention of the Head of the Engineering and Supplies Department).

Tenders must arrive by 26th May 1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 120 days from the closing date of the invitation to tender.

## REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)  
MINISTRE DE L'ENERGIE ET DES INDUSTRIES  
PETROCHIMIQUES  
(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE  
(National Drilling Company)

### NOTICE OF NATIONAL AND INTERNATIONAL INVITATION TO TENDER

No. EX.67/83

A notice of National and International Invitation to Tender is hereby issued by the Entreprise Nationale de Forage, "ENAFOR", for the supply of:

- Item No 1—Electrical spare parts for drilling equipment and also
- Item No 2—Electrical spare parts for drilling installations and also

This invitation to tender is addressed solely to manufacturing companies, engineering firms, and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenders interested in this invitation to tender may obtain specifications from: ENAFOR—Department Engineering et Approvisionnement (Engineering and Supplies Department)—1, Place Bir Hakeim—EL BLAN—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders, drawn up in eight (8) copies, must be sent in a double sealed and registered packet, the envelope must be anonymous without the tenderer's heading, initials or stamp, and must bear simply the endorsement:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL No. EX.67/83—CONFIDENTIAL—A NE PAS DIVULGUER—L'ATTENTION DE MONSIEUR LE CHIEF DE DEPARTEMENT INGENIERIE ET APPROVISIONNEMENTS" (National and International Invitation to Tender No. EX.67/83—Confidential—Do not divulge—Attention of the Head of the Engineering and Supplies Department).

Tenders must arrive by 26th May 1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 120 days from the closing date of the invitation to tender.

## REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(The Democratic and Popular Republic of Algeria)  
MINISTRE DE L'ENERGIE ET DES INDUSTRIES  
PETROCHIMIQUES  
(Ministry of Energy and the Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE  
(National Drilling Company)

### NOTICE OF INTERNATIONAL INVITATION TO TENDER

No. EX.61/83

A notice of International Invitation to Tender is hereby issued by the Entreprise Nationale de Forage, "ENAFOR", for the supply of:

- Item No 1—Miscellaneous spare parts for drilling equipment.
- Item No 2—Miscellaneous spare parts, make: "GARDNER DENVER, NATIONAL, MATCO, FOSTER, BAYLOR, LEE C. MOORE, GEOGRAPHY, LIGHTNER, OMACO, FAWCETT CLUTCH and DEMCO"

Item No 3—Miscellaneous spare parts, make: "CAMERON, HYDRAULIC, CHRISTENSEN, STYRON JACKSON, VARGO, SAASH ROSS, WEB WILSON, BOWEN and HALLIBURTON"

Item No 4—"FITTINGS"

This invitation to tender is addressed solely to manufacturing companies, engineering firms, and other intermediaries being excluded in accordance with the provisions of Law No. 78-02 of the 11th February 1978, concerning State monopoly on Foreign Trade.

Tenders interested in this invitation to tender may obtain specifications from: ENAFOR—Department Engineering et Approvisionnement (Engineering and Supplies Department)—1, Place Bir Hakeim—EL BLAN—ALGER (ALGIERS), as from the date of publication of this notice.

Tenders, drawn up in eight (8) copies, must be sent in a double sealed and registered packet, the envelope must be anonymous without the tenderer's heading, initials or stamp, and must bear simply the endorsement:

"APPEL D'OFFRES INTERNATIONAL No. EX.61/83—CONFIDENTIAL—A NE PAS DIVULGUER—L'ATTENTION DE MONSIEUR LE CHIEF DE DEPARTEMENT INGENIERIE ET APPROVISIONNEMENTS" (International invitation to tender No. EX.61/83—Confidential—Do not divulge—Attention of the Head of the Engineering and Supplies Department).

Tenders must arrive by 26th May 1983, at the very latest. Any tenders arriving after this date will be rejected.

Selection will be made within 120 days from the closing date of the invitation to tender.

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Teaching staff present from 8 am to 10 pm, in a modern, air-conditioned building, with a large library, and a fully equipped kitchen. Courses in French, English, and other languages. Contact: 01-535 3713.

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## Building Contracts

# £15.9m M3 job for Mowlem

The Department of Transport has awarded a contract worth £15.9m to JOHN MOWLEM AND CO. for the construction of a 1.86 mile length of the M3 motorway between Bar End on the Winchester Bypass and Brighthelm Lane, north of Abbot's Wood in Hampshire. This is the first of two contracts for the extension of the M3 from Farnham to Bar End. There will be dual three-lane carriageways for the 1.86 mile length between Bar End and Easton Lane, where an interchange will be built to provide a junction with the A34 Trunk Road. The remaining 3.42 miles northwards to Brighthelm Lane will be dual two-lane carriageways. The contract also includes the construction of a non-motorway road, known locally as the Spittle Lane, connecting the Easton Lane interchange, with Petersfield Road (A31) and Bar End.

ALEX LAWRIE FACTORS has commissioned a £1m expansion at the Banbury headquarters. Work on the new four-storey, 20,000 sq ft office block has begun and completion is scheduled for May 1984. Contractors are CLINTON CONSTRUCTION CO and CONDER BUILDERS.

Contracts worth over £4.3m have been awarded in Scotland and North West England to complete the LONDON AND NORTHERN GROUP. In the Aberdeen area Cameron Farquhar Group has been awarded a contract totalling £3.5m. In a £310,000 contract it will build extensions to a shopping centre at West Hill, Aberdeen, for Ashdale Land and Property Company and construct a shopping centre at Cove Bay, Aberdeen, for £214,000 for a group of private investors. At Altness, a warehouse development for Mounting Group will be completed in a £770,000 contract and in a housing development programme in Aberdeen for Aberdeen District Council, 40 houses will be constructed in £881,000 contract. A fabrication shop is to be constructed at Pitmedden Road, Dyce, for Rightgroup Group of Companies for £241,800. For the Leyland Motor Company in Great Western Road, Aberdeen, for £132,000. A small office extension for Richard Smith Ltd at Altness, a further small office refurbishment at Albert Street for Mounting Group total £138,000. In Aberdeen, a warehouse development in Ann Street for James Fleming and Co., Cameron Farquhar Group has also commenced a private housing development at Midway, North of Aberdeen where 10 dwellings will be constructed at a cost of £275,000.

SEED & CEREAL SERVICES (SCRS) has been awarded a contract worth £500,000 to construct a 10,000 tonne grain drying and storage complex for the Panmure Trading Co. near Dundee in Scotland. Stringent planning and environmental conditions relating to dust, noise, fire hazard, etc., have been satisfied by the company. The handling equipment incorporated into the project. The scheme also has to fulfill the requirement of producing economically, high quality malting barley for home and export trade.

HOWICK PARTITIONING has been awarded two office partitioning contracts. The largest, for a British office development in Aberdeen, is worth £350,000. Also in Aberdeen is a contract for the conversion of a building for Conoco worth £100,000.

# £7.5m batch for A. Monk

A. MONK has been awarded £7.5m of contracts including, at Hylton power station, bridge finishes and site services worth £2m for the CEGB, in Berkshire, a supply wing headquarters and warehouse with re-labelling of existing buildings worth £1m for the PSA; at Worcester, 3 km of single carriageway including a six-span bridge over the River Severn and a six-span viaduct over the River Avon. Hereford and Worcester CC worth £3.3m.

OAKWOOD GROUP, via its subsidiary electrical engineering subsidiary Clough Smith, has been awarded a road lighting and communications cabling contract valued at around £400,000. The contract is for the provision of a housing contract at Wingate Road, Carlisle, at a cost of £43,401.

A £330,000 contract for restoration work at the Nisi Prius Courts, Carlisle, has been awarded to LAING STONE-MASSON by Cumberland County Council. The contract consists of two circular castellated neo-Gothic buildings at the southern end of the city centre. Designed by Robert Smirke, they were built early in the 19th century on the site of the old southern gateway to the city. They are generally regarded as a good example of late Georgian architecture in an unusual style. Extensive restoration work has become necessary as some of the stonework has been cracked and in places become insecure. Contract period is 78 weeks.

J. A. ELLIOTT, Bishops Cleeve, has been awarded a £3.8m design and build contract by May and Baker. The 60-week project includes a 2,400 sq metre administrative office block and a 2,300 sq metre laboratory complex at its research establishment in Ongar, Essex.

KILBY & GAYFORD has been awarded a contract worth over £200,000 for the restoration of the Talk of the Town building in Cranborne Street, London W1. The work comprises the redecoration of all the internal and external surfaces, and the restoration of the stonework, major roof repairs and redecoration.

**In war, in peace you need his help**  
When help is needed, please help him and his dependants  
A donation, a covenant, a legacy to THE ARMY BENEVOLENT FUND will help soldiers, ex-soldiers and their families in distress  
DEPT. FT. DUKE OF YORKS RD. LONDON SW5 6SP

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### ORANGE FREE STATE GOLD MINING COMPANIES

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ANGLO AMERICAN CORPORATION  
INTERIM DIVIDENDS — FINANCIAL YEARS  
ENDING SEPTEMBER 30 1983

On April 21 1983 dividends were declared in South African currency, payable on June 10 1983 to members registered at the close of the interim dividend period on April 21 1983, and to members registered on or after June 10 1983, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the Anglo American Corporation on or about June 10 1983. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent of the dividend. Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the Anglo American Corporation in Johannesburg or in the United Kingdom on or before May 8 1983.

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupons marked "South Africa"	Rate of dividend per share/unit of stock
Free State Gold Mines Limited	62	63	240 cents
President Brand Gold Mining Company Limited	56	57	280 cents
President Brand Gold Mining Company Limited	56	57	280 cents
Western Holdings Limited	55	56	355 cents

By order of the board  
per C. R. BULL  
Olivier's Secretary

Transfer Secretaries  
Consolidated Share Registrars Limited  
44 Main Street  
Johannesburg  
40 Consolidation Street  
Johannesburg 2001  
(P.O. Box 5105)  
Marshalltown 2107

Head Office  
44 Main Street  
Johannesburg  
(P.O. Box 5105)  
Marshalltown 2107

## EAST RAND GOLD AND URANIUM COMPANY LIMITED

(Incorporated in the Republic of South Africa)  
FINAL DIVIDEND — FINANCIAL YEAR ENDED  
MARCH 31 1983

On April 21 1983, dividend No. 8 of 50 cents a share was declared in South African currency, payable on June 10 1983 to members registered at the close of the interim dividend period on April 21 1983, and to members registered on or after June 10 1983, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the Anglo American Corporation on or about June 10 1983. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent of the dividend. Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the Anglo American Corporation in Johannesburg or in the United Kingdom on or before May 8 1983.

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By order of the board  
per C. R. BULL  
Olivier's Secretary

## CANON INC.

Advice has been received from Tokyo that the Board of Directors has decided to increase the dividend of ¥500 per share for the six months period ending March 31 1983. The dividend will be paid on or about June 10 1983 to members registered at the close of the interim dividend period on April 21 1983, and to members registered on or after June 10 1983, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the Anglo American Corporation on or about June 10 1983. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent of the dividend. Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the Anglo American Corporation in Johannesburg or in the United Kingdom on or before May 8 1983.

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By order of the board  
per C. R. BULL  
Olivier's Secretary

## LEGAL NOTICES

**NOTICE OF EXTENSION OF TIME FOR FILING A PETITION FOR THE REORGANIZATION OF THE COMPANY**  
A petition for the extension of time for filing a petition for the reorganization of the company, in accordance with the provisions of the Companies Act 1948, is hereby given. The petition is to be filed on or before the 14th day of May 1983, at the offices of the Liquidator, at 10, Cannon Street, London EC4A 3DF.

By order of the board  
per C. R. BULL  
Olivier's Secretary

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## SECTION III - INTERNATIONAL MARKETS

## FINANCIAL TIMES

Friday April 22 1983

## SECTION III CONTENTS

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## WALL STREET

Fed funding  
generates  
nervousness

RENEWED nervousness over the Federal funding programme brought higher yields in Wall Street's credit markets yesterday. Share prices, which had opened the day with renewed gains, later succumbed to the uncertainty in the bond markets and shed some early gains. However, there were a number of bright features which reflected trading statements from major companies, writes Terry Byland in New York.

The Dow Jones industrial average, which had been easier around mid-session, rallied during the early afternoon, but later fell back to close at 1188.27 for a loss of 3.20 on the day.

Motor shares, the stars of Wednesday's market, opened firmly, helped by good results from Chrysler whose shares touched \$25 briefly.

But Chrysler shares slipped back to \$23.41, a net rise of \$1. General Motors shed 5/8 point of Wednesday's gain to \$64.40 after confirming that it would close permanently two plants. The plants are currently shut down, but the decision to make the shutdown permanent raises

the danger of serious union problems over the joint venture with Toyota.

Just before the end of the session, shares in National Steel, sixth largest of the steelmakers, eased 5/8 to \$27.40 after the first-quarter statement cast doubts on the recovery. Burroughs, the office machinery manufacturer, put on 5/8 to \$46 in response to the trading statement.

US Air introduced the reports season for the industry with news of a loss in the first quarter slightly lower than feared. The shares put on 5/8 to \$34. World Airways whose loss statement for the third quarter included a qualification by the auditors, slipped 5/8 to \$4.

Other major reporters included Amax, the mining group, unchanged at \$25.41 after disclosing the expected loss for the first quarter and Alcoa also unchanged at \$51.40 on a first-quarter loss.

Dow Chemical slipped 3/8 to \$30, with the downturn for the quarter bringing few surprises to the market place and Marsh McLellan, the insurance brokerage group, were 5/8 firmer at \$44 on higher profits.

It was a busy day for the computer and calculator share markets, where Texas Instruments fell sharply by 3/8 to \$157 after disclosing that profits had dropped heavily in the opening quarter. But Apple Computer, still one of the market's favourite high-flyers, gained 5 1/8 to \$32.4 after reporting a further gain in earnings in the second quarter.

The predicted downturn in profits at R.J. Reynolds, the largest of the cigarette manufacturers, left the shares 3/8 off at \$51. Shares in Sundstrand, the aerospace parts and power transmission

group, were halted briefly as the annual meeting was told that profits could be 30 per cent down at the year-end. The shares later traded 5/8 firmer at \$44.4, compared with \$46 last week when a fall in first-quarter results was announced.

In credit markets, Treasury bill yields gained 5 to 6 basis points with the three-month bills at a discount of 8.13 per cent and the six-month bills at 8.28 per cent. The benchmark long bond stood at 9 3/4.

Wednesday's auction of \$7.75bn in two-year notes was successful but yields of 8.61 per cent proved unsustainable in the market.

More significant will be the outcome of the May auction of \$14.5bn in Treasury funding due for announcement next week. Municipal bonds which absorbed a heavy weight of housing finance bonds this week, remained firm yesterday, but corporate bonds, which face a much reduced supply of new issues, shaded lower.

The oil and gas sector in Toronto brought some relief to an otherwise poorer showing in golds, metals and mining. Montreal utilities, however, were among the disappointed, but gains in banks and papers lifted the overall trend.

## EUROPE

Poll worries  
punctuate  
upward push

A REVIVAL on the bourses, already well under way on Wednesday afternoon, received more than ample overnight impetus from New York, and in general buying yesterday continued apace.

The two centres which were exceptions to this trend both suffered from worries about government continuity. Milan reflected fears about the possible collapse of the ruling four-party coalition, and selling prevailed across the board, gaining in intensity through the day.

Of the industrial leaders Fiat slid 1/8 to L2,761, Saia Visco L15 to L860 and Olivetti L51 to L2,632.

Vienna faces a general election at the weekend, at which the long-serving Socialists are being challenged both from the right and by environmentalists. Veitscher Magnesitwerke fell Sch 7 to Sch 202 but brewery Gosser managed a Sch 80 jump to Sch 315.

Vehicle issues were sought in a strong Frankfurt after industry figures showed a 20.6 per cent rise in output between February and March. Volkswagen added DM 6 to DM 179, Daimler Benz DM 3.30 to DM 541 and BMW DM 2.60 to DM 339.50.

Domestic bonds eased, and the Bundesbank absorbed DM 25.9m in paper. Upward coupon adjustments for new one to five-year government issues was a depressant.

Chemicals were sought in Zurich, providing rises of SwFr 40 for Ciba-Geigy at SwFr 1,900 and SwFr 50 for Sandoz at SwFr 5,200. But interest centred on Jacobs Suchard which achieved a SwFr 225 gain to SwFr 5,425. Domestic bonds held steady, helped by better new issue terms.

A planned share issue by Société Générale de Belgique displeased Brussels, and the stock ended Bfr 5 easier at Bfr 1,625 against the improving trend.

Solvay added Bfr 2,720 on its return to profitability and dividend boost. Activity and prices picked up in Paris as overnight funds softened, providing gains of FFr 16 for Midi at FFr 880 and FFr 32 in Michelin B at FFr 800.

Renewed profit-taking trimmed Amsterdam rises, but Philips was still Bf 1.80 ahead at Bf 46.20 while Ned Mid Bank recouped 50 cents of Wednesday's Bf 3.50 loss at Bf 151.

Car makers were to the fore in a booming Stockholm. Volvo picked up SKr 16 to SKr 454 and Saab-Scania SKr 11 to SKr 304. Norsk Data jumped Nkr 10 to Nkr 252.50 in Oslo on reported plans to launch non-voting shares in the U.S.

A one-point cut in Danish bank rate to 7 1/2 per cent came too late to affect Copenhagen, where prices were still well maintained. F. L. Smith advanced Dkr 24.80 to Dkr 244.80.

Electricals and oils led a Madrid upturn after 10 days of declines.

## SOUTH AFRICA

## Broad advance

HEAVYWEIGHT gold producers' gains ranged to R8 in Johannesburg, with Randfontein that much ahead at R177, as demand continued vigorously.

Gencor group mines followed the trend after quarterly, taking Buffels up R2 at R87, while mining financials showed Amgold R4 higher at R134.50. De Beers improved 20 cents to R9.60.

Industrial gains outnumbered losses by almost six to one, and Toyota GA added R1 to R26 for a rise on the week of R8.

## LONDON

Spectacular  
advance for  
industrials

LEADING London industrials resumed their recent advance in spectacular fashion yesterday. The previous two-day shake-out was forgotten as equity markets joined their U.S. counterparts in responding vigorously to news of the strongest U.S. growth for two years and most encouraging first-quarter figures from several leading U.S. groups, notably General Motors. ICI scored an impressive 32p rise to 488p in hectic trading after an optimistic forecast from its chairman.

The FT 30-share index ended 13.9 up at 682, 3.5 off last Friday's record high of 685.5.

Suggestions that institutional liquidity may be drying up were dismissed by yesterday's commitment of sizeable funds to a whole range of stocks.

Gilt-edged experienced thin trading while market operators watched the exciting events in equities. Some attention focused on confirmation of last year's overshoot in the public sector borrowing requirement, but the effect on sentiment was negligible and quotations in all three sectors again recorded narrow irregular movements.

Oils shares maintained a firmer trend with BP 6p higher at 382p, but Shell managed only a modest rise of 2p to 496p. Lasso continued to make progress with a rise of 10p to 317p.

Woolworth highlighted the stores sector, rising 22p to 277p, in response to its better-than-expected annual result. Debenhams improved 4p to 124p. Amid the Harrods de-merger controversy, House of Fraser moved up 4p to 174p, while Marks and Spencer edged forward 1p to 211p.

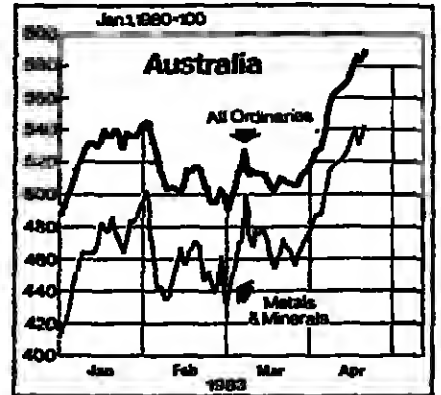
The depression over leading engineers, caused partly by GKN's large cash call, quickly lifted yesterday with GKN up 10p to 161p and T14p higher at 164p. Babcock revived with a rise of 10p

to 160p while Simon Engineering put on 8p to 425p and Davy Corporation 5p to 68p.

Elsewhere, Turner and Newall reflected recovery hopes with a rise of 4p to 47p. S. Pearson put on 4p more to 323p ahead of next Tuesday's preliminary results. Fosco Minsep added 10p at 156p and London and Liverpool Trust gained 8p to 306p. Mettoy and the Deferred each improved 4p to 45p and 39p respectively.

Dunlop dropped 3p to 52p in response to the year's loss and final dividend omission. Elsewhere in motors, Flight Refuelling put on 12p to 297p, while renewed investment demand lifted Lex Service 18p to 284p.

Share information service, Page 42-43



## AUSTRALIA

## Funds flow in

AN INFLUX of foreign buying, particularly from Singapore and West Germany, allowed Sydney to compensate for Wednesday's profit-taking and extend gains still further, and the market is now well beyond the levels established before the calling of last month's Federal election.

Metals this time led the way, with the sector index up 12.1 at 542.1, but energy and industrial issues were supported too, and a 9.3 gain by the All Ordinaries indicator at 580.5 puts it within striking distance of the 600 level.

CRA added 24 cents to AS\$24, Bougainville seven cents to AS\$2.70 and Santos 14 cents to AS\$2.42.

Melbourne rises outpaced falls four to one.

## FAR EAST

Stretched  
blue chips  
snap back

BLUE CHIPS continued to be plagued yesterday by Tokyo investors' concern that the recent buying spree had overstretched the leaders, and low-capital second-line issues were again preferred.

The Nikkei-Dow Jones market average came down 21.42 to 8,543.06, all but eradicating Wednesday's 22.62 gain. But the stock exchange index dipped just 1.30 to 621.12, barely more than half the 2.51 advance achieved in the previous session, and the second market continued upward for the ninth day.

Turnover in the first session was a moderate 320m units and in the second a lively 15.5m.

Leading light electricals, which have been at the forefront over the past few weeks, slipped back, while shares of smaller companies in the same sector remained in demand.

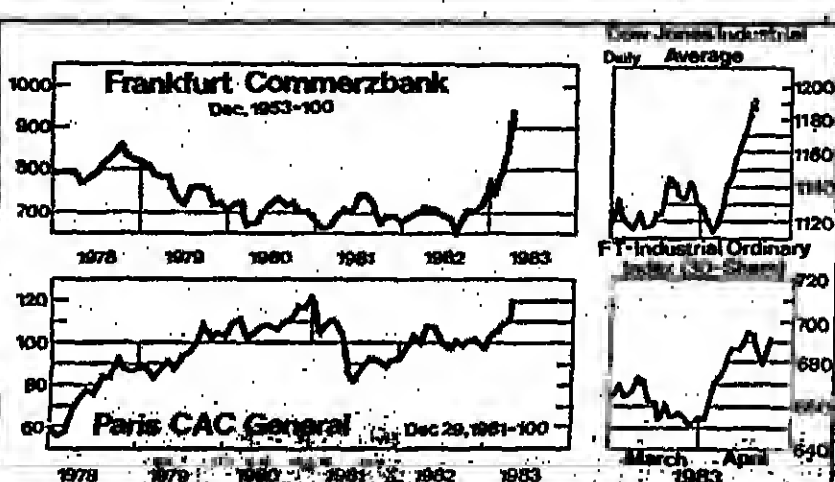
Additional pressure came from selling of issues which had been bought on margin during a previous bullish phase last October: such purchases must be settled within six months. Liquidation of margin buying positions particularly affected metals, although Nippon Light Metal - the day's volume leader on 11.52m shares - managed to firm Y1 to Y267.

Disappointment at the Bank of Japan's reluctance to cut the 5 1/2 per cent discount rate brought domestic bonds lower.

A retreat continued in Hong Kong after a stronger opening gave way to fears of further prime rate rises. The Hang Seng index slipped 8.80 to 1,001.48 but volume was on the thin side at HK\$157.16m as overseas investors held back.

Selective and nervous Singapore advances allowed the Straits Times industrial index to improve 9.38 to 912.00. Vehicles were favoured, with Cycle and Carriage up 15 cents at S\$8 and UMW 10 cents at S\$3.50, reportedly on heavy buying by one local concern.

## KEY MARKET MONITORS



STOCK MARKET INDICES	April 21	Previous	Year ago
NEW YORK			
DJ Industrials	1188.27	1191.47	843.42
DJ Transport	531.13	531.53	942.03
DJ Utilities	127.49	128.05	112.62
S&P Composite	159.97	160.71	115.72
LONDON			
FT Ind Ord	682.0	678.2	599.0
FT-A All-share	438.00	433.71	325.96
FT-A 500	477.81	471.55	352.75
FT-A Ind	440.83	435.07	319.36
FT Gold mines	649.2	636.1	250.7
FT Govt sec	81.80	81.54	67.57

TOKYO	Nikkei-Dow	4543.06	4543.06	4280.58
Tokyo SE	621.12	622.42	532.31	

AUSTRALIA	All Ord	580.5	581.2	482.6
Metals & Mins.	542.1	530.1	351.7	

AUSTRIA	Credit Aktien	54.6	54.74	52.30
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BELGIUM	Belgian SE	121.66	120.83	96.32
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CANADA	Toronto Composite	2321.3	2322.3	1585.91
Montreal	395.62	392.90	257.08	
Combined	397.02	395.44	272.44	

DENMARK	Copenhagen SE	n/a	137.21	84.05
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FRANCE	CAC Gen	120.0	119.3	105.4
Ind. Tendence	125.4	124.0	116.0	

FAZ-Aktien	315.97	312.0	236.75
Commerzbank	947.40	937.1	721.1
<hr/>			
HONG KONG			

HONG KONG	Hang Seng	1001.48	1010.57	1193.77
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ITALY	Banca Com.	191.11	195.6	190.06
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<b>NORWAY</b>			
Oslo SE	170.49	188.54	101.36
<hr/>			
<b>SINGAPORE</b>			
Credit Times	912.00	908.72	771.07

NORWAY	Oslo SE	170.49	168.64	101.36
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SINGAPORE	Straits Times	912.09	902.73	761.05
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SOUTH AFRICA	Gold	908.1	882.6	438.1
Industrials	931.9	924.4	586.7	

SPAIN	Madrid SE	110.95	109.95	123.14
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SWEDEN	J & P	1395.85	1359.2	576.95
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SWITZERLAND	Swiss Bank Ind	518.6	515.4	259.0
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WORLD	Capital Int'l	174.2	172.9	133.6
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GOLD (per ounce)	April 21	Previous	Year ago
London	\$437.50	\$434.50	
Frankfurt	\$439.50	\$434.50	
Zurich	\$438.50	\$433.75	
Paris (bidding)	\$438.62	\$432.97	
New York (April)	\$436.80	\$438.90	

CURRENCIES			
U.S. DOLLAR		STERLING	
April 21	Previous	April 21	Previous
1.5485	1.5406		

C	1.5435	1.5495	-	-
DM	2.4555	2.4580	3.7825	3.8125
Yen	236.40	237.25	366	368
FFr	7.3625	7.3725	11.38	11.4225
SwFr	2.0630	2.0670	3.1875	3.2050
Quadrant	2.7650	2.7680	4.27	4.2825
Lira	1482.50	1464.25	2257	2288.50
Rs	48.88	48.98	75.45	75.95
CS	1.23025	1.23425	1.8985	1.9125

INTEREST RATES	April 21	Prev
Three-month offered rate		
£	10 1/2	10 1/2
SwFr	4 1/2	4 1/2
DM	4 1/2	5 1/2
FFr	12 1/2	13 1/2

FT London Interbank Rates	Offered rate
3-month U.S.\$	9 1/2
6-month U.S.\$	9 1/2
U.S. Fed Funds	8 1/2
U.S. 3-month CDs	8 1/2
U.S. 3-month T-bills	8.14

U.S. Treasury Bonds	April 21	Yield	Price	Prev	Yield
9 1/2 1985	101	8.94	100 1/2	9.50	
10 1/2 1990	101 1/2	10.27	101 1/2	10.22	
10 1/2 1993	103	10.22	103 1/2	10.34	
10 1/2 2012	99 1/2	10.48	99 1/2	10.48	

FINANCIAL FUTURES	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT)				
9 1/2 32nds of 100%	77-11	77-25	77-10	77-24
U.S. Treasury Bills (BMT)				
\$1m points of 100%	91.85	91.79	91.58	91.79
June				
Sept Deposit (BMT)				
\$1m points of 100%	91.11	91.22	91.09	91.18
June				
Three-month Eurodollar				
\$1m points of 100%	90.86	90.92	90.85	90.88
June				
20-year National Gilt				
£50,000 32nds of 100%	105-05	105-12	104-31	105-08
June				

LONDON COMMODITY MARKETS	April 21	Prev
Silver (spot fixing)	805.30p	785.85p
Copper (cash)	£1108.00	£1093.00
Coffee (May)	£1785.50	£1758.50
Oil (spot Arabian light)	\$28.85	\$28.82

U.S. Treasury 2-year Notes	April 21	Prev	Yield
10 1/2 1985	101	100 1/2	10.22
10 1/2 1990	101 1/2	101 1/2	10.22
10 1/2 1993	103	103 1/2	10.34
10 1/2 2012	99 1/2	99 1/2	10.48

U.S. Treasury Bonds	April 21	Yield	Price	Prev	Yield
9 1/2 1985	101	8.94	100 1/2	9.50	
10 1/2 1990	101 1/2	10.27	101 1/2	10.22	
10 1/2 1993	103	10.22	103 1/2	10.34	
10 1/2 2012	99 1/2	10.48	99 1/2	10.48	

FINANCIAL FUTURES				
CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				



## NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

**THE BANKER** is the only publication which ranks the world's 500 largest commercial banks by **ASSET** size.

Published in June every year, The Banker Top 500 analysis is acknowledged to be the most reliable on public record—used throughout the year by central and commercial banks, corporate treasurers and financial institutions in 130 countries for bank credit limit reference.

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Minster House, Arthur Street, London EC4R 9AX  
Telephone: 01-623 1211 Telex: 8814734**

**Continued on Page 39**



# AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Symbol	Company Name	Price	Change
IBM	International Business Machines Corp.	125.00	+1.00
GE	General Electric Co.	45.00	+0.50
MSFT	Microsoft Corp.	35.00	+0.25
GOOG	Google Inc.	280.00	+5.00
AMZN	Amazon.com Inc.	180.00	+3.00
APPL	Apple Inc.	170.00	+2.00
ORCL	Oracle Corp.	55.00	+0.50
CRM	Salesforce.com Inc.	120.00	+1.50
ADBE	Adobe Systems Inc.	320.00	+4.00
INTC	Intel Corp.	40.00	+0.25
QCOM	Qualcomm Inc.	110.00	+1.00
TXN	Texas Instruments Inc.	60.00	+0.50
AMD	Advanced Micro Devices Inc.	30.00	+0.25
WDC	Western Digital Corp.	25.00	+0.25
SPX	S&P 500 Index	2800.00	+10.00
DJIA	Dow Jones Industrial Average	9500.00	+50.00
NYSE	New York Stock Exchange	100.00	+0.50
AMEX	American Stock Exchange	100.00	+0.50
OTC	Over-the-counter	100.00	+0.50

Continued on Page 40

# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Symbol	Company Name	Price	Change
IBM	International Business Machines Corp.	125.00	+1.00
GE	General Electric Co.	45.00	+0.50
MSFT	Microsoft Corp.	35.00	+0.25
GOOG	Google Inc.	280.00	+5.00
AMZN	Amazon.com Inc.	180.00	+3.00
APPL	Apple Inc.	170.00	+2.00
ORCL	Oracle Corp.	55.00	+0.50
CRM	Salesforce.com Inc.	120.00	+1.50
ADBE	Adobe Systems Inc.	320.00	+4.00
INTC	Intel Corp.	40.00	+0.25
QCOM	Qualcomm Inc.	110.00	+1.00
TXN	Texas Instruments Inc.	60.00	+0.50
AMD	Advanced Micro Devices Inc.	30.00	+0.25
WDC	Western Digital Corp.	25.00	+0.25
SPX	S&P 500 Index	2800.00	+10.00
DJIA	Dow Jones Industrial Average	9500.00	+50.00
NYSE	New York Stock Exchange	100.00	+0.50
AMEX	American Stock Exchange	100.00	+0.50
OTC	Over-the-counter	100.00	+0.50

Continued on Page 40

Sales figures are unofficial. Yearly high and low reflect the previous 52 weeks plus the current week, but not the trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

a-dividend as a percent of stock price; b-annual rate of dividend plus stock dividend; c-liquidating dividend; d-called; e-new yearly low; f-dividend declared or paid in preceding 12 months; g-dividend in Canadian funds; subject to 15% non-resident tax; h-dividend declared after split-up or stock dividend; i-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting; j-dividend declared or paid this year, an accumulation issue with dividends in arrears; k-new issue in the past 32 weeks; l-high-low range begins with the start of the div. rd-next day delivery; P/E-price-earnings ratio; r-dividend declared or paid in preceding 12 months; plus stock dividend; s-stock split; Dividends begin with date of split; t-new issue in the past 32 weeks; u-dividend declared or paid in preceding 12 months; estimated cash value on ex-dividend date; v-new yearly high; w-trading halted; x-in bankruptcy or receivership or being reorganized under the Bankruptcy Act; or securities assumed by such companies when distributed; y-when issued; z-when issued with warrants; aa-dividend or ex-rights; ab-ex-dividend; ac-without warrants; ad-ex-dividend and sales in full; ae-yield; af-sales in full.







## Government boost for pigmeat exports

**GO-AHEAD** for the development of a meat futures market in London was approved yesterday at a meeting convened by the Grain and

**GROWTH IN** Malaysia's crude palm oil production will be slow this year and is expected to total about 3.8m tonnes said Paul Leong, Primary Industries Minister. Last year's production was 3.51m tonnes.

## Common agricultural policy is still the culprit

The argument was supported by some incredibly honest farmers. Mr. Hugh Batchelor of the University of Illinois was committed to prison for failing to obey an order not to bulldoze out some trees. Filmed on the site of his activities, he cheerfully admitted changing his mind and cutting down the trees because he was a part of modern farming. Was he subsidised in this? "Of course" would probably have to be it and grain they were producing part dumped in overseas markets and their duty was to make the best of situation as they found it.

Contrary to what was implied in the programme farmers do pay rates on their land and on their stock. Although not on land and farm buildings. They pay tax on their profits

**rural policy is still t**

an acceptable compromise between the demands of effective husbandry, practical conservation and the appearance of the local area.

10. Farmers have been stimulated into improving their farms and this is where they fall foul of the government. There has been a vexed matter of drainage. There is a disease of sheep and cattle called liver fluke which attacks the liver and eventually kills

## the culprit

There seem to be two options which might defuse the criticisms. To reform the CAP so that those farmers and countries which over-produce should suffer the financial consequences of their excess. The other is to protect the whole of EEC industry on the same scale as farming so that the criticisms would have nothing to be jealous about.

**THE GO-AHEAD** for the development of a meat futures market in London was approved yesterday at a meeting organised by the Grain and Associated Trades Association (Grafta) for about 40 representatives from all sections of the meat industry.

It was decided that Grafta, which already backs the UK government's futures markets, should convene a formation committee.

This will concentrate initially on a futures contract for pig carcasses and later to look at the prospects for manufacturing beef. Those who receive only the carcasses market the Common Agricultural Policy and are subject to wide price fluctuations.

It is considered that it will take about a year to work out the details, so the starting date for the new market is next spring.

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[illegible]

	Latest	Change up or down
<b>GRASS OIL—FOB (per barrel)</b>		
Arabian Light	\$26.05-26.55	+0.05
Iranian Light	\$25.05-25.15	
Arabian Heavy	\$24.20-24.40	+0.05
Iranian Heavy	\$23.20-23.40	+0.05
North Sea (1800)	\$23.85	
African/Mexico Light	\$23.55-20.95	+0.05

Month	Year's change up or down	Business Days
April	\$ 8.5 per tonne	
May	\$51.00	+0.58, 25.05-24.95
June	\$49.00	+0.75, 24.95-24.90
July	\$49.25	+1.25, 24.90-24.25
Aug.	\$49.00	+1.25, 24.25-24.25
Sept.	\$49.00	+0.50, 24.25-24.00
Oct.	\$49.00	+0.50, 24.25-24.00

Gold rose \$3 an ounce from Wednesday's close in the London bullion market yesterday to finish at \$437.438. The metal opened at \$438.14394 and traded between a high of \$441.14394 and a low of \$436.94. Trading was extremely quiet for most of the day, with the firmer trend reflecting a rise in silver values.

(\$438.62 per ounce) in the afternoon compared with Ffr 104.50 (\$440.90) in the morning and Ffr 102.00 (\$452.97) on Wednesday morning.

Zurich closed at \$438.841 against \$433.654.

### LONDON FUTURES

Month	Yesterday's + or -	Business
-------	--------------------	----------

\$439.01 per ounce) against  
DOM \$4.3455 (\$435.01) and closed  
at \$439.40 from \$433.44.

In London, where the dollar  
per ounce equivalent of the 12 1/2  
kilo bar at the fixing was \$461.00  
from \$437.5.

In Paris the 12 1/2 kilo bar was  
fixed at Ffr 104,000 net kilo  
premium.

	ounce
April.....	\$47.00-\$3.9-\$3.750
May.....	\$48.50-\$4.00-\$3.850
June.....	\$49.50-\$4.25-\$3.950
July.....	\$48.50-\$4.40-\$3.750
August.....	\$45.70-\$4.30-\$3.650
Sept.....	\$45.70-\$4.40-\$3.650
Oct.....	\$45.70-\$4.40-\$3.650

Turnover: 882 (565) lots of 100 troy  
ounces.

	April 31	April 30
<b>Gold Bullion (fine ounce)</b>		
Closing	\$437.438	\$436.353
Opening	\$438.439	\$438.434
Morning fixing	\$440.50	\$438.948
Afternoon fixing	\$439.50	\$435.75
<b>Gold Coins (Apr. 31)</b>		
Closing	\$460.451	\$459.941

in Krug	550-81		60 Pease Max	5548-548	(2281-2014)
Amplifier	550-81		100 Dor. Aust	5533-533	(2287-2544)
100 Dor. Aust	550-81	5533-533	230 Eagle	5573-560	(2572-5714)
230 Eagle	550-81	5573-560			

## EUROPEAN MARKETS

ROTTERDAM, April 21, Wheat (U.S. 5 per tonne); U.S. No	250-40 traded; April 248.50, May 250.75, June 252., July 254, Aug 256.25, Sept
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[illegible]

and Page 102.00 attachment 2

<p>the London Metal Exchange as normal buyers continued to compete with the Chinese market.</p> <p>The forward metal at £1,138 on the LME. Physical demand boosted to £1,910 before profit-taking left it at £1,760.</p> <p>CAD and ZINC were finally £205 and £73 respectively while NICKEL closed £3,245.5, after £3,250.</p>	<table border="0"> <thead> <tr> <th>NICKEL</th> <th>a.m. Official</th> <th>+ or - at Juntifine</th> <th>+ or - at LME</th> </tr> </thead> <tbody> <tr> <td>Sput</td> <td>\$179-80</td> <td>-120</td> <td>\$165-70 +70</td> </tr> <tr> <td>6 month</td> <td>\$365-5</td> <td>-181</td> <td>\$350-1 +74</td> </tr> </tbody> </table> <p>* Cents per pound, \$MS per kilo, \$ per metric tonne.</p> <p>Nickel-Monroe: Three months</p>	NICKEL	a.m. Official	+ or - at Juntifine	+ or - at LME	Sput	\$179-80	-120	\$165-70 +70	6 month	\$365-5	-181	\$350-1 +74	<p>English feed bbl Sept 115 quoted, rice unquoted.</p> <p>HECRA-Liquidation - no alarm - rice prices fell. Leader's S. East 127.00, West 126.80, N. West 125.50, S. UK monetary coefficient for the week beginning Monday April 25 is expected to climb to 0.98%</p>
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Sput	\$179-80	-120	\$165-70 +70											
6 month	\$365-5	-181	\$350-1 +74											

[illegible][illegible][illegible]

Standard:	9350.0	+127	9477.0	-10
Higher:	9350.0 <td>+15 <td>9365.0 <td>-4.5</td> </td></td>	+15 <td>9365.0 <td>-4.5</td> </td>	9365.0 <td>-4.5</td>	-4.5
Lower:	9350.0 <td>+123</td> <td>9473.0</td> <td>.....</td>	+123	9473.0	.....
.....	9361.0	.....	.....	.....

	COGCO	High/Low	Close	+ or -	Business Done
May	1225.40	-10.5	1234.95-99		
June	1225.40	-10.5	1234.95-99		
July	1225.40	-10.5	1234.95-99		
Aug.	1225.40	-10.5	1234.95-99		
Sept.	1225.40	-10.5	1234.95-99		
Oct.	1225.40	-10.5	1234.95-99		
Nov.	1225.40	-10.5	1234.95-99		
Dec.	1225.40	-10.5	1234.95-99		

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40, 50, Higher Grades: Cash \$39.00.	40, 50, Higher Grades: Cash \$39.00.
cover 3410 tonnes.	cover 3410 tonnes.

### LEAD

	U.S. Official	U.S. Unofficial	U.S. + Foreign
LEAD	—	—	—
100 lb. month	288.75 @ 4.75	295.75	2.00
100,000 lb. 100 lb. month	290.25 @ 1.10	297.50	1.17

### COFFEE

After commission house selling had been over for a while, prices moved higher in this condition, reports Brazil Burnham Lambert. Trade reports and dealer prognosticating advanced prices. I had dumped the advance slightly, but a steadier move was

	per tonne
April	170.17-4.4
June	148.00-4.4
August	148.00-4.4
October	148.00-4.4
December	148.00-4.4
February	148.00-4.4
April	148.00-4.4
June	148.00-4.4
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December	148.00-4.4
February	148.00-4.4
April	148.00-4.4
June	148.00-4.4
August	148.00-4

	OFFER	Close	Done
75. Three months	238.50	240.00	431.00, 434.00, w/t Aug 445.50, 447.00
00, 00.00, 05.00, 05.75, 10. Kerbs			451.00, 454.00, 458.00, 459.00, 464.00
res months 2310.00, 07.00, 07.00, 08.00, 08.50, 09.00, 09.75, 00.00, 00.50, 01.00, 01.50, 02.00, 02.50, 03.00, 03.50, 04.00, 04.50, 05.00, 05.50, 06.00, 06.50, 07.00, 07.50, 08.00, 08.50, 09.00, 09.50, 10.00, 10.50, 11.00, 11.50, 12.00, 12.50, 13.00, 13.50, 14.00, 14.50, 15.00, 15.50, 16.00, 16.50, 17.00, 17.50, 18.00, 18.50, 19.00, 19.50, 20.00, 20.50, 21.00, 21.50, 22.00, 22.50, 23.00, 23.50, 24.00, 24.50, 25.00, 25.50, 26.00, 26.50, 27.00, 27.50, 28.00, 28.50, 29.00, 29.50, 30.00, 30.50, 31.00, 31.50, 32.00, 32.50, 33.00, 33.50, 34.00, 34.50, 35.00, 35.50, 36.00, 36.50, 37.00, 37.50, 38.00, 38.50, 39.00, 39.50, 40.00, 40.50, 41.00, 41.50, 42.00, 42.50, 43.00, 43.50, 44.00, 44.50, 45.00, 45.50, 46.00, 46.50, 47.00, 47.50, 48.00, 48.50, 49.00, 49.50, 50.00, 50.50, 51.00, 51.50, 52.00, 52.50, 53.00, 53.50, 54.00, 54.50, 55.00, 55.50, 56.00, 56.50, 57.00, 57.50, 58.00, 58.50, 59.00, 59.50, 60.00, 60.50, 61.00, 61.50, 62.00, 62.50, 63.00, 63.50, 64.00, 64.50, 65.00, 65.50, 66.00, 66.50, 67.00, 67.50, 68.00, 68.50, 69.00, 69.50, 70.00, 70.50, 71.00, 71.50, 72.00, 72.50, 73.00, 73.50, 74.00, 74.50, 75.00, 75.50, 76.00, 76.50, 77.00, 77.50, 78.00, 78.50, 79.00, 79.50, 80.00, 80.50, 81.00, 81.50, 82.00, 82.50, 83.00, 83.50, 84.00, 84.50, 85.00, 85.50, 86.00, 86.50, 87.00, 87.50, 88.00, 88.50, 89.00, 89.50, 90.00, 90.50, 91.00, 91.50, 92.00, 92.50, 93.00, 93.50, 94.00, 94.50, 95.00, 95.50, 96.00, 96.50, 97.00, 97.50, 98.00, 98.50, 99.00, 99.50, 100.00, 100.50, 101.00, 101.50, 102.00, 102.50, 103.00, 103.50, 104.00, 104.50, 105.00, 105.50, 106.00, 106.50, 107.00, 107.50, 108.00, 108.50, 109.00, 109.50, 110.00, 110.50, 111.00, 111.50, 112.00, 112.50, 113.00, 113.50, 114.00, 114.50, 115.00, 115.50, 116.00, 116.50, 117.00, 117.50, 118.00, 118.50, 119.00, 119.50, 120.00, 120.50, 121.00, 121.50, 122.00, 122.50, 123.00, 123.50, 124.00, 124.50, 125.00, 125.50, 126.00, 126.50, 127.00, 127.50, 128.00, 128.50, 129.00, 129.50, 130.00, 130.50, 131.00, 131.50, 132.00, 132.50, 133.00, 133.50, 134.00, 134.50, 135.00, 135.50, 136.00, 136.50, 137.00, 137.50, 138.00, 138.50, 139.00, 139.50, 140.00, 140.50, 141.00, 141.50, 142.00, 142.50, 143.00, 143.50, 144.00, 144.50, 145.00, 145.50, 146.00, 146.50, 147.00, 147.50, 148.00, 148.50, 149.00, 149.50, 150.00, 150.50, 151.00, 151.50, 152.00, 152.50, 153.00, 153.50, 154.00, 154.50, 155.00, 155.50, 156.00, 156.50, 157.00, 157.50, 158.00, 158.50, 159.00, 159.50, 160.00, 160.50, 161.00, 161.50, 162.00, 162.50, 163.00, 163.50, 164.00, 164.50, 165.00, 165.50, 166.00, 166.50, 167.00, 167.50, 168.00, 168.50, 169.00, 169.50, 170.00, 170.50, 171.00, 171.50, 172.00, 172.50, 173.00, 173.50, 174.00, 174.50, 175.00, 175.50, 176.00, 176.50, 177.00, 177.50, 178.00, 178.50, 179.00, 179.50, 180.00, 180.50, 181.00, 181.50, 182.00, 182.50, 183.00, 183.50, 184.00, 184.50, 185.00, 185.50, 186.00, 186.50, 187.00, 187.50, 188.00, 188.50, 189.00, 189.50, 190.00, 190.50, 191.00, 191.50, 192.00, 192.50, 193.00, 193.50, 194.00, 194.50, 195.00, 195.50, 196.00, 196.50, 197.00, 197.50, 198.00, 198.50, 199.00, 199.50, 200.00, 200.50, 201.00, 201.50, 202.00, 202.50, 203.00, 203.50, 204.00, 204.50, 205.00, 205.50, 206.00, 206.50, 207.00, 207.50, 208.00, 208.50, 209.00, 209.50, 210.00, 210.50, 211.00, 211.50, 212.00, 212.50, 213.00, 213.50, 214.00, 214.50, 215.00, 215.50, 216.00, 216.50, 217.00, 217.50, 218.00, 218.50, 219.00, 219.50, 220.00, 220.50, 221.00, 221.50, 222.00, 222.50, 223.00, 223.50, 224.00, 224.50, 225.00, 225.50, 226.00, 226.50, 227.00, 227.50, 228.00, 228.50, 229.00, 229.50, 230.00, 230.50, 231.00, 231.50, 232.00, 232.50, 233.00, 233.50, 234.00, 234.50, 235.00, 235.50, 236.00, 236.50, 237.00, 237.50, 238.00, 238.50, 239.00, 239.50, 240.00, 240.50, 241.00, 241.50, 242.00, 242.50, 243.00, 243.50, 244.00, 244.50, 245.00, 245.50, 246.00, 246.50, 247.00, 247.50, 248.00, 248.50, 249.00, 249.50, 250.00, 250.50, 251.00,			

Wholesale	455.5-7.5	+1.75	456-7	C	6
Monthly	471-20	+1.25	471-1	+0	
Yearly	+6.75	+	457.00		
Wholesale	455.00		457.00		

### GRAINS

The market opened 60p down with optimism of May barley which was 25p down and was offset by a opening 25p down with barley the weaker of the two commodities. A slight rally at the close took prices from the lowest

No. 4. Cont.	Yesterday's close	Previous close	Business done
Wheat			
per tonne			
May	132.25-26.75	151.50-81.00	105.50-20.75
July	132.25-26.75	151.50-81.00	105.50-20.75

market, reports C. Cornwall.

[illegible]

**Wool Futures**

**SYDNEY GREASY WOOL**—Cloze (line order: buyer, seller, business).  
Australasian cents per kg. May 598.5, 599.0, 599.5, 600.0, 600.5, 601.0, 601.5, 602.0, 602.5, 603.0, 603.5, 604.0, 604.5, 605.0, 605.5, 606.0, 606.5, 607.0, 607.5, 608.0, 608.5, 609.0, 609.5, 610.0, 610.5, 611.0, 611.5, 612.0, 612.5, 613.0, 613.5, 614.0, 614.5, 615.0, 615.5, 616.0, 616.5, 617.0, 617.5, 618.0, 618.5, 619.0, 619.5, 620.0, 620.5, 621.0, 621.5, 622.0, 622.5, 623.0, 623.5, 624.0, 624.5, 625.0, 625.5, 626.0, 626.5, 627.0, 627.5, 628.0, 628.5, 629.0, 629.5, 630.0, 630.5, 631.0, 631.5, 632.0, 632.5, 633.0, 633.5, 634.0, 634.5, 635.0, 635.5, 636.0, 636.5, 637.0, 637.5, 638.0, 638.5, 639.0, 639.5, 640.0, 640.5, 641.0, 641.5, 642.0, 642.5, 643.0, 643.5, 644.0, 644.5, 645.0, 645.5, 646.0, 646.5, 647.0, 647.5, 648.0, 648.5, 649.0, 649.5, 650.0, 650.5, 651.0, 651.5, 652.0, 652.5, 653.0, 653.5, 654.0, 654.5, 655.0, 655.5, 656.0, 656.5, 657.0, 657.5, 658.0, 658.5, 659.0, 659.5, 660.0, 660.5, 661.0, 661.5, 662.0, 662.5, 663.0, 663.5, 664.0, 664.5, 665.0, 665.5, 666.0, 666.5, 667.0, 667.5, 668.0, 668.5, 669.0, 669.5, 670.0, 670.5, 671.0, 671.5, 672.0, 672.5, 673.0, 673.5, 674.0, 674.5, 675.0, 675.5, 676.0, 676.5, 677.0, 677.5, 678.0, 678.5, 679.0, 679.5, 680.0, 680.5, 681.0, 681.5, 682.0, 682.5, 683.0, 683.5, 684.0, 684.5, 685.0, 685.5, 686.0, 686.5, 687.0, 687.5, 688.0, 688.5, 689.0, 689.5, 690.0, 690.5, 691.0, 691.5, 692.0, 692.5, 693.0, 693.5, 694.0, 694.5, 695.0, 695.5, 696.0, 696.5, 697.0, 697.5, 698.0, 698.5, 699.0, 699.5, 700.0, 700.5, 701.0, 701.5, 702.0, 702.5, 703.0, 703.5, 704.0, 704.5, 705.0, 705.5, 706.0, 706.5, 707.0, 707.5, 708.0, 708.5, 709.0, 709.5, 710.0, 710.5, 711.0, 711.5, 712.0, 712.5, 713.0, 713.5, 714.0, 714.5, 715.0, 715.5, 716.0, 716.5, 717.0, 717.5, 718.0, 718.5, 719.0, 719.5, 720.0, 720.5, 721.0, 721.5, 722.0, 722.5, 723.0, 723.5, 724.0, 724.5, 725.0, 725.5, 726.0, 726.5, 727.0, 727.5, 728.0, 728.5, 729.0, 729.5, 730.0, 730.5, 731.0, 731.5, 732.0, 732.5, 733.0, 733.5, 734.0, 734.5, 735.0, 735.5, 736.0, 736.5, 737.0, 737.5, 738.0, 738.5, 739.0, 739.5, 740.0, 740.5, 741.0, 741.5, 742.0, 742.5, 743.0, 743.5, 744.0, 744.5, 745.0, 745.5, 746.0, 746.5, 747.0, 747.5, 748.0, 748.5, 749.0, 749.5, 750.0, 750.5, 751.0, 751.5, 752.0, 752.5, 753.0, 753.5, 754.0, 754.5, 755.0, 755.5, 756.0, 756.5, 757.0, 757.5, 758.0, 758.5, 759.0, 759.5, 760.0, 760.5, 761.0, 761.5, 762.0, 762.5, 763.0, 763.5, 764.0, 764.5, 765.0, 765.5, 766.0, 766.5, 767.0, 767.5, 768.0, 768.5, 769.0, 769.5, 770.0, 770.5, 771.0, 771.5, 772.0, 772.5, 773.0, 773.5, 774.0, 774.5, 775.0, 775.5, 776.0, 776.5, 777.0, 777.5, 778.0, 778.5, 779.0, 779.5, 780.0, 780.5, 781.0, 781.5, 782.0, 782.5, 783.0, 783.5, 784.0, 784.5, 785.0, 785.5, 786.0, 786.5, 787.0, 787.5, 788.0, 788.5, 789.0, 789.5, 790.0, 790.5, 791.0, 791.5, 792.0, 792.5, 793.0, 793.5, 794.0, 794.5, 795.0, 795.5, 796.0, 796.5, 797.0, 797.5, 798.0, 798.5, 799.0, 799.5, 800.0, 800.5, 801.0, 801.5, 802.0, 802.5, 803.0, 803.5, 804.0, 804.5, 805.0, 805.5, 806.0, 806.5, 807.0, 807.5, 808.0, 808.5, 809.0, 809.5, 810.0, 810.5, 811.0, 811.5, 812.0, 812.5, 813.0, 813.5, 814.0, 814.5, 815.0, 815.5, 816.0, 816.5, 817.0, 817.5, 818.0, 818.5, 819.0, 819.5, 820.0, 820.5, 821.0, 821.5, 822.0, 822.5, 823.0, 823.5, 824.0, 824.5, 825.0, 825.5, 826.0, 826.5, 827.0, 827.5, 828.0, 828.5, 829.0, 829.5, 830.0, 830.5, 831.0, 831.5, 832.0, 832.5, 833.0, 833.5, 834.0, 834.5, 835.0, 835.5, 836.0, 836.5, 837.0, 837.5, 838.0, 838.5, 839.0, 839.5, 840.0, 840.5, 841.0, 841.5, 842.0, 842.5, 843.0, 843.5, 844.0, 844.5, 845.0, 845.5, 846.0, 846.5, 847.0, 847.5, 848.0, 848.5, 849.0, 849.5, 850.0, 850.5, 851.0, 851.5, 852.0, 852.5, 853.0, 853.5, 854.0, 854.5, 855.0, 855.5, 856.0, 856.5, 857.0, 857.5, 858.0, 858.5, 859.0, 859.5, 860.0, 860.5, 861.0, 861.5, 862.0, 862.5, 863.0, 863.5, 864.0, 864.5, 865.0, 865.5, 866.0, 866.5, 867.0, 867.5, 868.0, 868.5, 869.0, 869.5, 870.0, 870.5, 871.0, 871.5, 872.0, 872.5, 873.0, 873.5, 874.0, 874.5, 875.0, 875.5, 876.0, 876.5, 877.0, 877.5, 878.0, 878.5, 879.0, 879.5, 880.0, 880.5, 881.0, 881.5, 882.0, 882.5, 883.0, 883.5, 884.0, 884.5, 885.0, 885.5, 886.0, 886.5, 887.0,

NEW YORK, April 20. — edition carries American market prices.

LONDON NEW ZEALAND CATTLE										NEW YORK										SUGAR WORLD " 11 " 112,000 lb. cante/lb.									
Business—Close (in order: buyer, seller, business)										COCOA 10 tonnes, 5/tonnes																			
May buyer unquoted	435	431	425	421	415					May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 230	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 240	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 250	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 260	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 270	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 280	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 290	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 300	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 310	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 320	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 330	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 340	642	646	650	654	658	662	666	670	674	May	1984	1512	1770	1780	1820	1860	1900	1940	1980	2020	2060	2100	2140	2180	2220	2260	2300	2340	2380
May 350	642	646	650	65																									

sales were registered. Doubts about political manufacturing made buyers nervous and there was an absence of business worth mentioning. Scattered inquiry, however, was encountered in certain Middle Eastern countries, with the largest volume of interest in the Japanese model. Interest was shown in specialist African qualities.

COFFEE "C"		\$7,000 lb. cents/lb.			
	Close	High	Low	Prev	
May	122.78	123.12	123.30	122.98	
July	122.80	124.25	122.25	123.95	
Sept	121.80	122.10	121.50	121.50	
Nov	121.80	122.10	121.50	121.50	
March	117.80	118.50	117.25	118.25	
May	115.00	115.50	115.50	114.75	
July	113.00	113.25	113.25	112.80	

CHICAGO		LIVE CATTLE 40,000 lb. cents/lb.			
	Close	High	Low	Prev	
April	70.20	70.75	69.40	69.40	
May	67.05	67.65	66.75	67.12	
June	66.75	67.75	66.75	65.30	
Oct	61.90	62.75	61.85	62.30	

FINANCIAL TIMES																
Apr. 20 Apr. 10 Mth ago 1/2 yr ago				Close				High				Low				
April	76.50	76.90	76.30	76.30	April	Gleita	68.57	70.10	68.05	68.05	April	68.57	70.10	68.05	68.05	
May	77.18	77.20	75.80	77.55	June	June	51.52	51.70	50.05	50.05	June	51.52	51.70	50.05	50.05	
June	77.85	77.80	77.80	77.55	July	July	61.01	61.70	51.00	61.57	July	61.01	61.70	51.00	61.57	
July	78.15	78.15	78.15	78.15	Aug	Aug	48.42	49.10	48.35	48.35	Aug	48.42	49.10	48.35	48.35	
(Base: July 1 1952=100)				Sept	Sept	Dec	Dec	60.20	60.20	58.45	58.45	Sept	60.20	60.20	58.45	58.45
REUTERS																
Apr. 20 Apr. 10 Mth ago 1/2 yr ago				Close				High				Low				
April	82.00	82.00	80.80	81.45	April	Dec	60.20	60.20	58.45	58.45	April	60.20	60.20	58.45	58.45	
May	82.00	82.20	82.20	82.00	May	Feb	46.00	47.40	45.80	45.80	May	46.00	47.40	45.80	45.80	
June	82.00	82.00	82.00	82.00	June	April	45.45	45.50	45.40	45.40	June	45.45	45.50	45.40	45.40	
July	82.00	82.00	82.00	82.00	July	June	45.45	45.50	45.40	45.40	July	45.45	45.50	45.40	45.40	

MOODY'S									
		U.S. Gov't Bonds				U.S. Gov't Bonds			
		Close	High	Low	Prev		Close	High	Low
Apr. 19	14 1/2	71.50	72.84	71.50	72.42	May	305.8	310.2	305.2
		71.50	72.84	71.50	72.42	June	310.2	314.6	305.8
May	14 1/2	71.50	72.84	71.50	72.42	Sept	305.8	308.6	305.8
June	14 1/2	71.50	72.84	71.50	72.42	Oct	301.4	303.4	300.0
Oct	14 1/2	72.67	73.86	72.56	73.73	Nov	301.4	303.4	300.0
Dec	14 1/2	72.67	73.86	72.56	73.73	Dec	301.4	303.4	300.0
Week	14 1/2	72.67	73.86	72.56	73.73	Jan	315.4	317.8	315.4
Month	14 1/2	72.67	73.86	72.56	73.73	July	320.4	322.6	320.2
Year	14 1/2	72.67	73.86	72.56	73.73				
(DOW JONES 31 1931=100)									
DOW JONES									
		Close	High	Low	Prev		Close	High	Low
Dow	30	308.14	310.14	306.14	308.14	PORK	38.00	38.14	37.86
Ind	20	100.00	100.00	99.00	100.00		Close	High	Low
Trans	10	100.00	100.00	99.00	100.00				
Chem	5	100.00	100.00	99.00	100.00				
Auto	5	100.00	100.00	99.00	100.00				
Food	5	100.00	100.00	99.00	100.00				
Metals	5	100.00	100.00	99.00	100.00				
Oil	5	100.00	100.00	99.00	100.00				
Textile	5	100.00	100.00	99.00	100.00				
U.S. Gov't Bonds	5	100.00	100.00	99.00	100.00				
Foreign Bonds	5	100.00	100.00	99.00	100.00				
Stocks	5	100.00	100.00	99.00	100.00				
Commodities	5	100.00	100.00	99.00	100.00				
Options	5	100.00	100.00	99.00	100.00				
Derivatives	5	100.00	100.00	99.00	100.00				
Real Estate	5	100.00	100.00	99.00	100.00				
Art	5	100.00	100.00	99.00	100.00				
Collectibles	5	100.00	100.00	99.00	100.00				
Antiques	5	100.00	100.00	99.00	100.00				
Books	5	100.00	100.00	99.00	100.00				
Records	5	100.00	100.00	99.00	100.00				
Video	5	100.00	100.00	99.00	100.00				
Computers	5	100.00	100.00	99.00	100.00				
Software	5	100.00	100.00	99.00	100.00				
Hardware	5	100.00	100.00	99.00	100.00				
Peripherals	5	100.00	100.00	99.00	100.00				
Services	5	100.00	100.00	99.00	100.00				
Consulting	5	100.00	100.00	99.00	100.00				
Advertising	5	100.00	100.00	99.00	100.00				
Public Relations	5	100.00	100.00	99.00	100.00				
Marketing	5	100.00	100.00	99.00	100.00				
Research	5	100.00	100.00	99.00	100.00			</	

[illegible][illegible]

ORANGE JUICE 15,000 lb. cents/lb.		Coke 15,000 lb. cents/lb.		Coke 15,000 lb. cents/lb.	
	Close	High	Low	Close	High
Jan	6.50	5.80	6.45	7.65	6.88
Feb	6.75	105.62	123.84	8.00	105.18
Mar	6.50	105.62	123.84	8.00	105.18
Apr	6.50	105.62	123.84	8.00	105.18
May	6.50	105.62	123.84	8.00	105.18
June	6.50	105.62	123.84	8.00	105.18
July	6.50	105.62	123.84	8.00	105.18
Aug	6.50	105.62	123.84	8.00	105.18
Sept	6.50	105.62	123.84	8.00	105.18
Oct	6.50	105.62	123.84	8.00	105.18
Nov	6.50	105.62	123.84	8.00	105.18
Dec	6.50	105.62	123.84	8.00	105.18
Jan	6.50	105.62	123.84	8.00	105.18
Feb	6.50	105.62	123.84	8.00	105.18
Mar	6.50	105.62	123.84	8.00	105.18
Apr	6.50	105.62	123.84	8.00	105.18
May	6.50	105.62	123.84	8.00	105.18
June	6.50	105.62	123.84	8.00	105.18
July	6.50	105.62	123.84	8.00	105.18
Aug	6.50	105.62	123.84	8.00	105.18
Sept	6.50	105.62	123.84	8.00	105.18
Oct	6.50	105.62	123.84	8.00	105.18
Nov	6.50	105.62	123.84	8.00	105.18
Dec	6.50	105.62	123.84	8.00	105.18

	Close	High	Low	Prev		Close	High	Low	Prev
8:00-2:30 Standing	42.8	41.9	41.7	41.9	May	20.12	20.23	20.10	20.20
8:00-2:30 Standing	42.8	41.9	41.7	41.9	June	20.12	20.20	20.10	20.20
10:00-11:00 U.S. Red Delicious	430.1	429.0	429.0	422.4	July	20.12	20.20	20.10	20.20
11:00-14:00 Calisena; Granny Smith	430.1	429.0	429.0	422.4	Aug	20.12	20.20	20.10	20.20
16:00 9:50-9:25 Red King 8:50-9:25	430.1	429.0	429.0	422.4	Sept	20.12	20.20	20.10	20.20
French Mac 8:50-9:25	430.1	429.0	429.0	422.4	Oct	20.12	20.20	20.10	20.20
5:00-5:15 Strawberry 5:00-5:30 Gravy	430.1	429.0	429.0	422.4	Nov	20.12	20.20	20.10	20.20
3:00-5:00 Pearls-Cake	430.1	429.0	429.0	422.4	Dec	20.12	20.20	20.10	20.20
Packhouse 7:00-8:50, Sorbo Beans 9:00-8:00	430.1	429.0	429.0	422.4	Jan	20.12	20.20	20.10	20.20
8:00 Beans 7:00-8:50, Corn Cobs	430.1	429.0	429.0	422.4	Feb	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Mar	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Apr	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	May	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	June	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	July	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Aug	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Sept	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Oct	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Nov	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Dec	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Jan	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Feb	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Mar	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Apr	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	May	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	June	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	July	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Aug	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Sept	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Oct	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Nov	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Dec	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Jan	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Feb	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Mar	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Apr	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	May	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	June	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	July	20.12	20.20	20.10	20.20
	430.1	429.0	429.0	422.4	Aug	20.12	20.20	20.10	20.20

Peanutcracks 12-14 lb., per pound 6.12-6.15	July	1248.0	1257.0	1190.0	1235.0	
11-13 lb., Green-Coat, Barilato 6.12-6.15	Aug	1248.0	1257.0	1190.0	1235.0	
Yellow 6.12-6.15	Sept	1248.0	1257.0	1190.0	1235.0	
Thompson 11-5 5.0-5.50, Ribier 11-5 5.0-5.50	Oct	1248.0	1257.0	1190.0	1235.0	
Almoro 0.50, Strawberry-0.5-1.2	Nov	1248.0	1257.0	1190.0	1235.0	
12-oz 0.50-1.00; 10-oz 0.5-0.45; 8-oz 0.25-0.45	Dec	1248.0	1257.0	1190.0	1235.0	
10-oz 0.30-1.00; 10-oz 0.30-0.45	Jan	1248.0	1257.0	1190.0	1235.0	
10-oz 1.00-1.00; Chuteau 1-5-6	Feb	1248.0	1257.0	1190.0	1235.0	
White 7.00-8.50, Green 8.00-12.00	Mar	1248.0	1257.0	1190.0	1235.0	
Peanutcrack-Ivery Coast 20s 0.50, 12 C	Apr	1248.0	1257.0	1190.0	1235.0	
	May	1248.0	1257.0	1190.0	1235.0	
	June	1248.0	1257.0	1190.0	1235.0	

Colombian: 40-lb boxes 10.30-10.80;  
Avocadoe-Israeli: 3.50-4.50; South  
African: 4.00-5.00; Kenya: 4.00, Pawa  
Pawa-Brazilian: 6.50-7.00, Kwaito-  
Kenyan: 1.50-1.75; South African:  
pound 1.00-1.50; South Afr.  
pound 1.00-1.50; Panna-Israeli: 20-lb  
boxes 6.00; Mangos-Malacian: Box 8.00-9.00;  
0.80; Italian: 5.00-5.50; U.S.: 9.00;  
Aubergines-Canary: 5-lb 4.00-4.50;  
Dutch: 5-lb 6.20; Italian: 4-lb 4.50;  
0.80; Onions-2.00: 1.80; Canarian:  
6.00; Onions-2.00: 1.50-1.75; Capoteiras  
6.00; Dutch: Yellow: 11.50;  
Pumpkin: 6.00; Canary: Green: 2.00-7.00, Red 2.00-  
7.00, Cabb-—Dutch: Red 3.20-3.40,  
Kenyan: 6-lb 2.40; Spanish: 10-lb 3.00;  
Italian: 11-lb 3.00; Cyprus: 2.40;  
Moroccan: 3.00; French: 11-lb 3.00;  
Guambara-Dutch: 2.00-2.40, Chicory  
—Belgian: 5-lb 2.80-3.20, Potatoes-  
Kenyan: 1-lb 1.00, Edmonds 8.00-8.20;  
Canary: 25-lb mule 7.00, Yams 7.00-  
7.30; Cyprus: 44-lb bag 4.20-5.50.







INDUSTRIALS—Continued

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued

a fully integrated banking service

# DAIWA BANK

Head Office: Osaka, Japan  
London Branch: Tel 01 588-0341  
Frankfurt Branch: Tel 0611 55 02 31

MINES—Continued

Central African

Stock	Price	%
Anglo African	210	+1.0
Anglo African	210	+1.0
Anglo African	210	+1.0

Australians

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Timor

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Miscellaneous

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in pence. Estimated price/earnings ratios and others are based on latest annual reports and accounts and, where possible, are based on half-yearly figures. P/E ratios are calculated in "net" terms, i.e. after deducting preference dividends and other fixed charges. Dividends are shown in pence per share. Dividends are shown in pence per share. Dividends are shown in pence per share.

PLANTATIONS

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Rubbers, Palm Oil

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

TEAS

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

MINES

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Central Rand

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Eastern Rand

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Far West Rand

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

O.F.S.

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Finance

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Oil and Gas

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Diamond and Platinum

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Regional and Irish Stocks

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Options

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

3-month Call Rates

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0

Recent Issues and Rights

Stock	Price	%
Anglo American	120	+1.0
Anglo American	120	+1.0
Anglo American	120	+1.0



## FINANCIAL FUTURES

## Quiet trading

**CHICAGO**

High	Low	Prev
70-25	70-17	70-25
70-04	69-28	70-02
69-17	68-12	69-16
69-01	68-30	69-01
68-15	68-16	68-15
68-08	68-05	68-04
67-27	67-27	67-26
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ds	Company and Corporate Service	10-11-78
1254661	SCITTS, Inc.	10-11-78
1254662	2. 2nd Floor, 10-11-78	10-11-78
1254663	Schroeder Management Services (Lancaster) Ltd	10-11-78
1254664	10000 10-11-78	10-11-78
1254665	10000 10-11-78	10-11-78
1254666	10000 10-11-78	10-11-78
1254667	10000 10-11-78	10-11-78
1254668	10000 10-11-78	10-11-78
1254669	10000 10-11-78	10-11-78
1254670	10000 10-11-78	10-11-78
1254671	10000 10-11-78	10-11-78
1254672	10000 10-11-78	10-11-78
1254673	10000 10-11-78	10-11-78
1254674	10000 10-11-78	10-11-78
1254675	10000 10-11-78	10-11-78
1254676	10000 10-11-78	10-11-78
1254677	10000 10-11-78	10-11-78
1254678	10000 10-11-78	10-11-78
1254679	10000 10-11-78	10-11-78
1254680	10000 10-11-78	10-11-78
1254681	10000 10-11-78	10-11-78
1254682	10000 10-11-78	10-11-78
1254683	10000 10-11-78	10-11-78
1254684	10000 10-11-78	10-11-78
1254685	10000 10-11-78	10-11-78
1254686	10000 10-11-78	10-11-78
1254687	10000 10-11-78	10-11-78
1254688	10000 10-11-78	10-11-78
1254689	10000 10-11-78	10-11-78
1254690	10000 10-11-78	10-11-78
1254691	10000 10-11-78	10-11-78
1254692	10000 10-11-78	10-11-78
1254693	10000 10-11-78	10-11-78
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1254695	10000 10-11-78	10-11-78
1254696	10000 10-11-78	10-11-78
1254697	10000 10-11-78	10-11-78
1254698	10000 10-11-78	10-11-78
1254699	10000 10-11-78	10-11-78
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1254701	10000 10-11-78	10-11-78
1254702	10000 10-11-78	10-11-78
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1254704	10000 10-11-78	10-11-78
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1254778	10000 10-11-78	10-11-78
1254779	10000 10-11-78	10-11-78
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1254801	10000 10-11-78	10-11-78
1254802	10000 10-11-78	10-11-78
1254803	10000 10-11-78	10-11-78
1254804	10000 10-11-78	10-11-78
1254805	10000 10-11-78	10-11-78
1254806	10000 10-11-78	10-11-78
1254807	10000 10-11-78	10-11-78
1254808	10000 10-11-78	10-11-78
1254809	10000 10-11-78	10-11-78
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1254815	10000 10-11-78	10-11-78
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1254819	10000 10-11-78	10-11-78
1254820	10000 10-11-78	10-11-78
1254821	10000 10-11-78	10-11-78
1254822	10000 10-11-78	10-11-78
1254823	10000 10-11-78	10-11-78
1254824	10000 10-11-78	10-11-78
1254825	10000 10-11-78	10-11-78
1254826	10000 10-11-78	10-11-78
1254827	10000 10-11-78	10-11-78
1254828	10000 10-11-78	10-11-78
1254829	10000 10-11-78	10-11-78
1254830	10000 10-11-78	10-11-78
1254831	10000 10-11-78	10-11-78
1254832	10000 10-11-78	10-11-78
1254833	10000 10-11-78	10-11-78
1254834	10000 10-11-78	10-11-78
1254835	10000 10-11-78	10-11-78
1254836	10000 10-11-78	10-11-78
1254837	10000 10-11-78	10-11-78
1254838	10000 10-11-78	10-11-78
1254839	10000 10-11-78	10-11-78
1254840	10000 10-11-78	10-11-78
1254841	10000 10-11-78	10-11-78
1254842	10000 10-11-78	10-11-78
1254843	10000 10-11-78	10-11-78
1254844	10000 10-11-78	10-11-78
1254845	10000 10-11-78	10-11-78
1254846	10000 10-11-78	10-11-78
1254847	10000 10-11-78	10-11-78
1254848	10000 10-11-78	10-11-78
1254849	10000 10-11-78	10-11-78
1254850	10000 10-11-78	10-11-78
1254851	10000 10-11-78	10-11-78
1254852	10000 10-11-78	10-11-78
1254853	10000 10-11-78	10-11-78
1254854	10000 10-11-78	10-11-78
1254855	10000 10-11-78	10-11-78
1254856	10000 10-11-78	10-11-78
1254857	10000 10-11-78	10-11-78
1254858	10000 10-11-78	10-11-78
1254859	10000 10-11-78	10-11-78
1254860	10000 10-11-78	10-11-78
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1254862	10000 10-11-78	10-11-78
1254863	10000 10-11-78	10-11-78
1254864	10000 10-11-78	10-11-78
1254865	10000 10-11-78	10-11-78
1254866	10000 10-11-78	10-11-78
1254867	10000 10-11-78	10-11-78
1254868	10000 10-11-78	10-11-78
1254869	10000 10-11-78	10-11-78
1254870	10000 10-11-78	10-11-78
1254871	10000 10-11-78	10-11-78
1254872	10000 10-11-78	10-11-78
1254873	10000 10-11-78	10-11-78
1254874	10000 10-11-78	10-11-78
1254875	10000 10-11-78	10-11-78
1254876	10000 10-11-78	10-11-78
1254877	10000 10-11-78	10-11-78
1254878	10000 10-11-78	10-11-78
1254879	10000 10-11-78	10-11-78
1254880	10000 10-11-78	10-11-78
1254881	10000 10-11-78	10-11-78
1254882	10000 10-11-78	10-11-78
1254883	10000 10-11-78	10-11-78
1254884	10000 10-11-78	10-11-78
1254885	10000 10-11-78	10-11-78
1254886	10000 10-11-78	10-11-78
1254887	10000 10-11-78	10-11-78
1254888	10000 10-11-78	10-11-78
1254889	10000 10-11-78	10-11-78
1254890	10000 10-11-78	10-11-78
1254891	10000 10-11-78	10-11-78
1254892	10000 10-11-78	10-11-78
1254893	10000 10-11-78	10-11-78
1254894	10000 10-11-78	10-11-78
1254895	10000 10-11-78	10-11-78
1254896	10000 10-11-78	10-11-78
1254897	10000 10-11-78	10-11-78
1254898	10000 10-11-78	10-11-78
1254899	10000 10-11-78	10-11-78
1254900	10000 10-11-78	10-11-78
1254901	10000 10-11-78	10-11-78
1254902	10000 10-11-78	10-11-78
1254903	10000 10-11-78	10-11-78
1254904	10000 10-11-78	10-11-78
1254905	10000 10-11-78	10-11-78
1254906	10000 10-11-78	10-11-78
1254907	10000 10-11-78	10-11-78
1254908	10000 10-11-78	10-11-78
1254909	10000 10-11-78	10-11-78
1254910	10000 10-11-78	10-11-78
1254911	10000 10-11-78	10-11-78
1254912	10000 10-11-78	10-11-78
1254913	10000 10-11-78	10-11-78
1254914	10000 10-11-78	10-11-78
1254915	10000 10-11-78	10-11-78
1254916	10000 10-11-78	10-11-78
1254917	10000 10-11-78	10-11-78
1254918	10000 10	

**A Financial Times survey to be published  
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For further details and advertisement rates please  
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## CURRENCY MOVEMENTS

Apr. 61	Bank of England Index	Morgan Guaranty Change %
Sterling	86.1	-57.4
U.S. dollar	100.0	0.0
Canadian dollar	90.9	-17.2
Austrian schilling	101.0	+30.5
Swiss franc	96.1	-10.7
Deutsche mark	130.8	+57.4
French franc	76.4	-22.1
Guilder	118.0	+35.9
Yen	147.0	+40.4

Based on trade weighted changes from Washington agreement December 1971.  
Bank of England Index (base average 1975=100).

## CURRENCY RATES

April 51	Rank #	Special Ranking %	Growing Rights	European Currency
Barling	1	0.700940	0.596972	
Barling	2	0.106175	0.932110	
Barling	3	0.106175	0.932110	
Barling	4	0.106175	0.932110	
Barling	5	0.106175	0.932110	
Barling	6	0.106175	0.932110	
Barling	7	0.106175	0.932110	
Barling	8	0.106175	0.932110	
Barling	9	0.106175	0.932110	
Barling	10	0.106175	0.932110	
Barling	11	0.106175	0.932110	
Barling	12	0.106175	0.932110	
Barling	13	0.106175	0.932110	
Barling	14	0.106175	0.932110	
Barling	15	0.106175	0.932110	
Barling	16	0.106175	0.932110	
Barling	17	0.106175	0.932110	
Barling	18	0.106175	0.932110	
Barling	19	0.106175	0.932110	
Barling	20	0.106175	0.932110	

## THE POUND SPOT AND FORWARD

April 21	Day's spread	Close	One month	%	Three months	%
U.S.	1,5410-1,5500	1,5420-1,5440	0.17-0.12c	1.13	0.10-0.36 pc	0.97
Canada	1,8970-1,9000	1,8980-1,8990	0.20-0.10c	0.98	0.62-0.32 pc	0.97
New Zealand	75.30-75.40	75.30-75.40	3p-7m-7d	-	0.32-20 pc	-0.28
Belgium	73.30-73.45	73.40-73.50	2p-7m-7d	-	0.32-20 pc	-0.28
Denmark	13.42-13.48	13.45-13.50	3p-7m-7d	-	0.32-20 pc	-0.28
France	11.70-11.75	11.70-11.75	3p-7m-7d	-	0.32-20 pc	-0.28
W. Ger.	3.78-3.81	3.79-3.81	2.41-1.75p	5.54	0.44-0.34 pc	5.14
Italy	2.05-2.10	2.06-2.10	1.66-1.69p	5.16	0.44-0.34 pc	5.14
Spain	20.95-21.00	20.95-21.00	2.16-2.25p	5.11	0.50-0.60 pc	6.17
Germany	2.25-2.29	2.25-2.29	1.81-1.14p	5.32	0.22-0.84 pc	5.11
Japan	11.30-11.35	11.30-11.35	1.16-1.19p	5.16	0.44-0.34 pc	5.14
France	11.31-11.37	11.31-11.37	1.16-1.19p	5.11	0.77-0.84 pc	2.82
Sweden	11.54-11.59	11.56-11.57	1.16-1.19p	5.11	0.22-0.24 pc	0.85
Australia	26.55-26.60	26.55-26.60	1.16-1.19p	5.11	0.22-0.24 pc	0.85
Switzerland	26.55-26.60	26.55-26.60	1.16-1.19p	5.11	0.22-0.24 pc	0.85
Switz.	3.17-3.20	3.18-3.19	1.16-1.19p	5.11	0.12-0.47 pc	5.50

Source: Foreign Futures, Inc. Financial futures prices are for the nearest month.

## THE DOLLAR SPOT AND FORWARD

April 21	Day's average	Close	One month	% p.a.	Three months	% p.a.
UK†	1,561.0-1,550.0	1,540.0-1,540.0	0.17-0.42 12m	1.13	6.0-6.23 pm	5.81
U.S.A†	1,284.0-1,285.0	1,280.0-1,288.0	0.77-0.65 pm	6.83	1.89-1.70 pm	6.39
Canada	1,230.0-1,231.0	1,230.0-1,236.0	0.17-0.02 dm	-0.05	0.03-0.06 dm	-0.15
Netherlands	1,060.0-1,060.0	1,060.0-1,060.0	0.77-0.76 pm	6.76	1.89-1.87 pm	6.76
Belgium	83.33-83.37	82.87-83.39	0.76 dm	-1.47	14.7-17.1 dm	-1.27
Denmark	1,697.0-1,697.0	1,722.0-1,737.0	1.1-0.96 dm	2.08	5.6-6.5 dm	2.41
France	7.66-7.67	7.65-7.65	0.50-0.47 dm	4.17	2.06-2.06 dm	4.16
Portugal	57.50-59.20	58.32-59.20	26.5-26.9c	-76.49	48.6-48.25c dm	-40.93
Spain	136.15-136.30	136.30-138.00	120-170 c	-12.77	94.0-94.0dm	-10.87
Italy	1,360.0-1,360.0	1,360.0-1,360.0	0.50-0.47 dm	4.17	2.06-2.06 dm	4.16
Japan	1,736.0-1,747.0	1,737.5-1,747.0	2.5-3.0 dm	-0.20	6.3-7.5 dm	-4.06
France	7,348.0-7,350.0	7,300.0-7,386.0	2.00-2.20c	-3.43	7.00-7.00 dm	-3.81
Japan	2,000.0-2,000.0	2,000.0-2,000.0	0.50-0.50 dm	4.17	2.06-2.06 dm	4.16
Spain	236.80-236.80	236.35-236.85	1.60-1.55 dm	2.92	1.73-1.65 dm	2.86
Australia	17.23-17.27	17.25-17.26	5.80-6.10grm	3.88	17.00-15.00pm	3.77
Switzerland	7.66-7.67	7.65-7.65	0.50-0.47 dm	4.17	2.06-2.06 dm	4.16

† UK and Ireland are quoted in £ sterling. Forward exchange rates and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rates are for convertible francs. Financial franc 43.20-49.30.

## EXCHANGE CROSS RATES

Apr. 23	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen
	2	1,554	5,705	358.0
	0.648	2	2.17	356.3
Deutsche Mark	0.254	0.407		96.24
Japanese Yen 1,000	2,740	4,229	16.39	1,000.
French Franc 10	5.890	1,350	5.335	321.2
Swiss Franc	5.314	0.484	1.190	114.5
Butch Guilder	0.234	0.361	0.886	85.48
Italian Lira 1,000	9.368	2,064	7.54	193.7
Canadian Dollar	6.527	5.913	1.998	192.3
Belgian Franc 100	1.325	2.046	8.027	495.8

## MONEY MARKETS

## London rates remain steady

**BK clearing bank base lending rates 10 per cent**

(Interest April 15 and 18)

Prices were little changed against London interbank money market. The Bank of England forecast a money market shortage of £450m, but said it was unlikely to occur after tomorrow. Total help provided during the day was \$747m, through outright purchases of bills at unchanged 6½ per cent.

Before lunch the authorities bought £320m bills by way of £74m bank bills in band 1 (up 14 p.p.) and £276m maturity bills in band 2 (£13-34) and £140m in band 2 (£13-34) and £140m in band 2 (£13-34) and £140m in band 2 (£13-34) and £140m in band 2 (£13-34).

In band 3 (£4-63) and £180m bank bills in band 3 at 9½ per cent, and £224m bank bills in band 4 (£4-64) at 9½ per cent.

**Friday's Treasury bill tender of £324m, plus Exchequer transactions of £100m.**

Overnight money opened 101-10¼ per cent in the interbank market, and traded within a narrow range of 10 per cent to 101-10½ per cent all day before closing at 5 per cent.

In Copenhagen the Danish

### LONDON MONEY RATES

Apr. 21 1963	Starting Certificate of deposit	Interbank
Overnight.....	—	5 10¼
One month.....	—	10 10¼
Two months.....	—	10 10¼
Three months.....	—	10 10¼
Six months.....	—	10 10¼
Nine months.....	—	10 10¼
One year.....	—	10 10¼

National Bank cut its discount rate by 1 per cent to 7½ per cent. This was the second reduction in a month, following the cut of ½ per cent to 8½ per cent on March 21 after the realignment of the European Monetary System.

In Frankfurt the Bundesbank left its credit policies unchanged at the regular council meeting.

As expected, the discount and Lombard rates fell in 4 per cent and 5 per cent respectively. Overnight money rose slightly to 4.95 per cent from 4.88 per cent, reflecting the recent success of the authorities in draining domestic liquidity by currency repurchase agreements.

In Paris call money eased to 12½ per cent from 12½ per cent.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan, .....	Afghani (C)	60.00

## LONDON MONEY RATES

Apr. 21 1983	Sterling Certificate of deposit	Interbank	A
Overnight.....	—	8 10½	
2 days notice.....	—	—	
7 days of.....	—	—	
7 days notice.....	—	10½-10¾	
One month.....	10½-10¾	10½-10¾	
Two months.....	10½-10¾	10½-10¾	
Three months.....	10½-10¾	10½-10¾	
Six months.....	10½-10¾	10½-10¾	
Nine months.....	10½-10¾	10½-10¾	
One year.....	10½-10¾	10½-10¾	

Local Priority Securities	Local Auth. (nontaxable) bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills	Eligible Bank Bills	First Trust Bills
10-10 $\frac{1}{2}$	—	—	10-10 $\frac{1}{2}$	0-10 $\frac{1}{2}$	—	—	—
10 $\frac{1}{2}$	—	—	—	—	—	—	—
10 $\frac{1}{2}$	—	—	—	—	—	—	—
10 $\frac{1}{2}$	11-10 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{2}$ -10 $\frac{1}{2}$	10-10 $\frac{1}{2}$	10-10 $\frac{1}{2}$	10 $\frac{1}{2}$ -10 $\frac{1}{2}$	10 $\frac{1}{2}$
10 $\frac{1}{2}$	10 $\frac{1}{2}$ -10 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{2}$	0 $\frac{1}{2}$	0 $\frac{1}{2}$ -0 $\frac{1}{2}$	0 $\frac{1}{2}$ -0 $\frac{1}{2}$	10 $\frac{1}{2}$
10 $\frac{1}{2}$	10 $\frac{1}{2}$ -10 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{2}$	0 $\frac{1}{2}$	0 $\frac{1}{2}$	0 $\frac{1}{2}$	10 $\frac{1}{2}$
10 $\frac{1}{2}$	10 $\frac{1}{2}$ -10 $\frac{1}{2}$	10 $\frac{1}{2}$	—	0 $\frac{1}{2}$	0 $\frac{1}{2}$	0 $\frac{1}{2}$	10 $\frac{1}{2}$
10 $\frac{1}{2}$	10 $\frac{1}{2}$ -10 $\frac{1}{2}$	10 $\frac{1}{2}$	—	—	—	—	10 $\frac{1}{2}$

ECGO Rate Export Finance Shareware 100% per cent.  
Local authorities and finance houses can finance rates nominally three years 10% per cent; 12m rates are 10% per cent for prices paper. 100% per cent.  
Approximate selling rate for one n 9% per cent. Approximate selling rate for one n 9% per cent. Approximate selling rate for one n 10% per cent.  
Finance Houses Base Rates (published) 4m and 5m. Finance House Base Rates for 1m and 2m. 6m.

## INTEREST RATES

## EURO-CURRENCY INTEREST RATES

[illegible]

## MONEY RATES

## NEW YORK

Prime rate .....	10%	Singapore rate .....	3 1/2
Fixed funds (lanch-vire) ..	54-6	Overnight rate .....	5 1/2-5 3/4
Researy bills (12-week) ..	E.11	One month .....	5 1/2-5 3/4
Researy bills (26-week) ..	E.26	Three months .....	5 1/2-5 3/4
		Six months .....	5 1/2-5 3/4

<b>GERMANY</b>	
Overland .....	5.0
Overnight rate .....	5.25
One month .....	5.05
Three months .....	5.20
Six months .....	5.25

<b>FRANCE</b>	
Overland .....	12.5
Overnight rate .....	12.5

<b>\$ CERTIFICATES OF DEPOSIT</b>	
One month .....	2.70-2.80
Three months .....	2.75-2.85
Six months .....	2.80-2.90
One year .....	3.20-3.40

<b>LONG TERM EURO \$</b>	
Two years .....	10 1/2-10 3/4
Five years .....	10 3/4-11 1/4

**FT LONDON INTERBANK FIXING**

1.00 a.m. APRIL 01/			
5 month U.S. dollars		6 months U.S. dollars	
bid 05/18	offer 05/18	bid 05/18	offer 07/18

**WITZERLAND**

discount rate	4	One month	8 1/2 - 9 1/2
straight rate	3-4	Three months	9 1/2 - 10 1/2
three month	4 1/2 - 5 1/2	Six months	10 1/2 - 11 1/2
nine months	5 1/2 - 6 1/2	One year	11 1/2 - 12 1/2

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years  = .....
years  = .....

```

**LINKED DEPOSITS**

1 month	.....	8 <sup>1</sup> / <sub>2</sub> %-8 <sup>3</sup> / <sub>4</sub> %
3 months	.....	8 <sup>1</sup> / <sub>2</sub> %-8 <sup>3</sup> / <sub>4</sub> %
6 months	.....	8 <sup>1</sup> / <sub>2</sub> %-8 <sup>3</sup> / <sub>4</sub> %
1 year	.....	8 <sup>1</sup> / <sub>2</sub> %-8 <sup>3</sup> / <sub>4</sub> %

## LINKED DEPOSIT

month	.....	31-31
3 months	.....	31-31
6 months	.....	31-31
year	.....	31-31

n.a. Not available. (m) Market rate. \* U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (j) Jamaica. (n) Netherlands. (p) Panama. (r) Paraguay. (s) Saudi Arabia. (t) Taiwan. (u) Thailand. (v) Turkey. (w) United Kingdom. (x) United States. (y) Yugoslavia. (z) Zambia. (aa) Argentina. (ab) Australia. (ac) Austria. (ad) Belgium. (ae) Brazil. (af) Canada. (ag) Chile. (ah) Colombia. (ai) Costa Rica. (aj) Cuba. (ak) Czech Republic. (al) Denmark. (am) Dominican Republic. (an) Ecuador. (ao) Egypt. (ap) Finland. (aq) France. (ar) Germany. (as) Greece. (at) Guatemala. (au) Hong Kong. (av) India. (aw) Indonesia. (ax) Italy. (ay) Japan. (az) Jordan. (ba) Korea. (bb) Kuwait. (bc) Laos. (bd) Lebanon. (be) Liberia. (bf) Luxembourg. (bg) Madagascar. (bh) Malawi. (bi) Mali. (bj) Mauritania. (bk) Mauritius. (bl) Mexico. (bm) Morocco. (bn) Mozambique. (bo) Myanmar. (bp) Nicaragua. (bq) Niger. (br) Nigeria. (bs) Norway. (bt) Pakistan. (bu) Peru. (bv) Philippines. (bw) Poland. (bx) Portugal. (by) Romania. (bz) Rwanda. (ca) Senegal. (cb) Sierra Leone. (cc) Singapore. (cd) South Africa. (ce) South Korea. (cf) Spain. (cg) Sri Lanka. (ch) Sweden. (ci) Switzerland. (cj) Taiwan. (ck) Tanzania. (cl) Thailand. (cm) Trinidad and Tobago. (cn) Tunisia. (co) Uganda. (cp) United Kingdom. (cq) United States. (cr) Venezuela. (cs) Zambia. (ct) Zimbabwe. (cu) Cuba. (cv) Cyprus. (cw) Czech Republic. (cx) Denmark. (cy) Egypt. (cz) Finland. (ca) France. (cb) Germany. (cc) Greece. (cd) Hong Kong. (ce) India. (cf) Italy. (cg) Japan. (ch) Korea. (ci) Kuwait. (cj) Lebanon. (ck) Liberia. (cl) Luxembourg. (cm) Madagascar. (cn) Malawi. (co) Mali. (cp) Mauritania. (cq) Mauritius. (cr) Mexico. (cs) Morocco. (ct) Myanmar. (cu) Nicaragua. (cv) Niger. (cw) Nigeria. (cx) Norway. (cy) Pakistan. (cz) Peru. (da) Philippines. (db) Portugal. (dc) Romania. (dd) Rwanda. (de) Senegal. (df) Sierra Leone. (dg) Singapore. (dh) South Africa. (di) South Korea. (dj) Spain. (dk) Sri Lanka. (dl) Sweden. (dm) Switzerland. (dn) Taiwan. (do) Tanzania. (dp) Tunisia. (dq) Uganda. (dr) United Kingdom. (ds) United States. (dt) Venezuela. (du) Zambia. (dv) Zimbabwe. (dw) Argentina. (dx) Australia. (dy) Austria. (dz) Belgium. (ea) Brazil. (eb) Canada. (ec) Chile. (ed) Colombia. (ee) Costa Rica. (ef) Cuba. (eg) Czech Republic. (eh) Denmark. (ei) Dominican Republic. (ej) Ecuador. (ek) Egypt. (el) Finland. (em) France. (en) Germany. (eo) Greece. (ep) Guatemala. (eq) Hong Kong. (er) India. (es) Indonesia. (et) Italy. (eu) Japan. (ev) Jordan. (ew) Korea. (ex) Kuwait. (ey) Laos. (ez) Lebanon. (fa) Liberia. (fb) Luxembourg. (fc) Madagascar. (fd) Malawi. (fe) Mali. (ff) Mauritania. (fg) Mauritius. (fh) Mexico. (fi) Morocco. (fj) Myanmar. (fk) Nicaragua. (fl) Niger. (fm) Nigeria. (fn) Norway. (fo) Pakistan. (fp) Peru. (fq) Philippines. (fr) Portugal. (fs) Romania. (ft) Rwanda. (fu) Senegal. (fv) Sierra Leone. (fw) Singapore. (fx) South Africa. (fy) South Korea. (fz) Spain. (ga) Sri Lanka. (gb) Sweden. (gc) Switzerland. (gd) Taiwan. (ge) Tanzania. (gf) Tunisia. (gg) Uganda. (gh) United Kingdom. (gi) United States. (gj) Venezuela. (gk) Zambia. (gl) Zimbabwe. (gm) Argentina. (gn) Australia. (go) Austria. (gp) Belgium. (gq) Brazil. (gr) Canada. (gs) Chile. (gt) Colombia. (gu) Costa Rica. (gv) Cuba. (gw) Czech Republic. (gx) Denmark. (gy) Dominican Republic. (gz) Ecuador. (ha) Egypt. (hb) Finland. (hc) France. (hd) Germany. (he) Greece. (hf) Hong Kong. (hg) India. (hh) Italy. (hi) Japan. (hj) Korea. (hk) Kuwait. (hl) Lebanon. (hm) Liberia. (hn) Luxembourg. (ho) Madagascar. (hp) Malawi. (hq) Mali. (hr) Mauritania. (hs) Mauritius. (ht) Mexico. (hu) Morocco. (hv) Myanmar. (hw) Nicaragua. (hx) Niger. (hy) Nigeria. (hz) Norway. (ia) Pakistan. (ib) Peru. (ic) Philippines. (id) Portugal. (ie) Romania. (if) Rwanda. (ig) Senegal. (ih) Sierra Leone. (ii) Singapore. (ij) South Africa. (ik) South Korea. (il) Spain. (im) Sri Lanka. (in) Sweden. (io) Switzerland. 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